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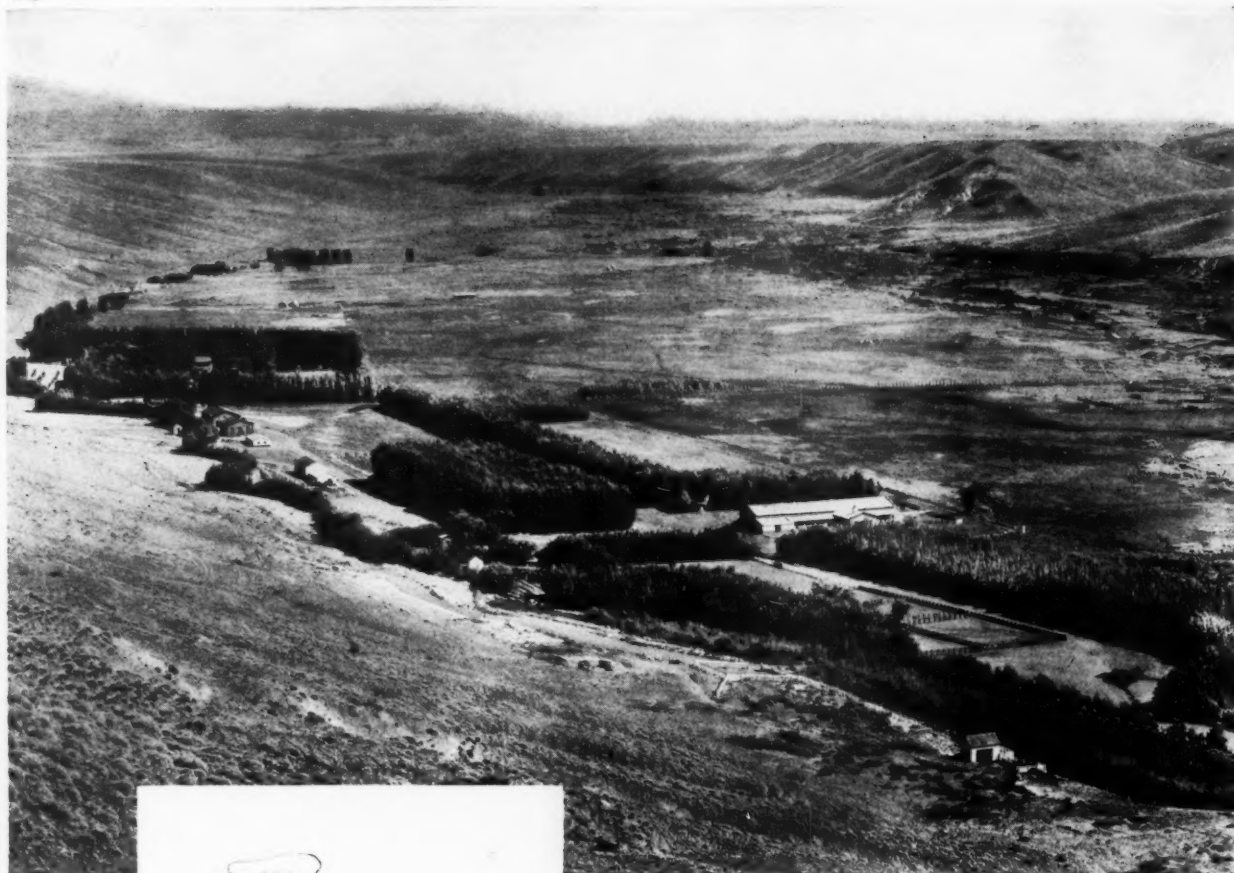
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THURSDAY, JUNE 30, 1938

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IN 1520, when Fernando de Magellan sailed through the strait named after him, he discovered a region which he called Tierra del Fuego (Land of Fire)—either from non-extinct volcanic flames or from fires kindled by natives along parts of his course.

Here, adjacent to storm-swept Cape Horn, we find "estancias," or farming settlements, many of which are insured by Companies of the Royal-Liverpool Groups through long established representatives.

*This is No. 10 of the series, "Round the World with the Royal-Liverpool Groups."*

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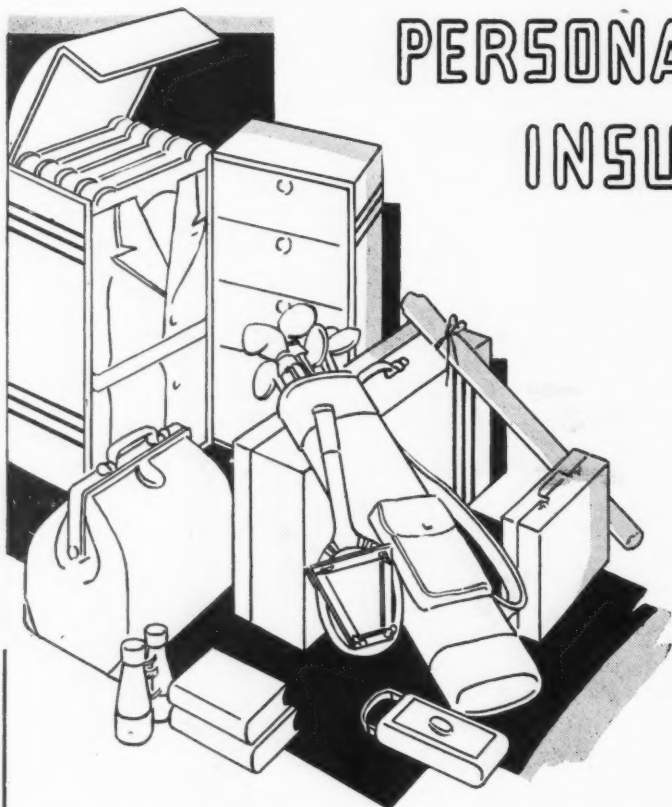


# AWAY FROM HOME

Nearly everyone carries insurance on their personal effects while in their homes and at this time of the year when the vacation season is at hand, increasing numbers are recognizing the need for



## PERSONAL EFFECTS INSURANCE



to cover the more varied risks to which such property is subjected away from home; for example, while in transit, at the office, or while in hotels, golf clubs, jewelers, tailors, laundries or cleaners, in fact, practically anywhere outside of the home.

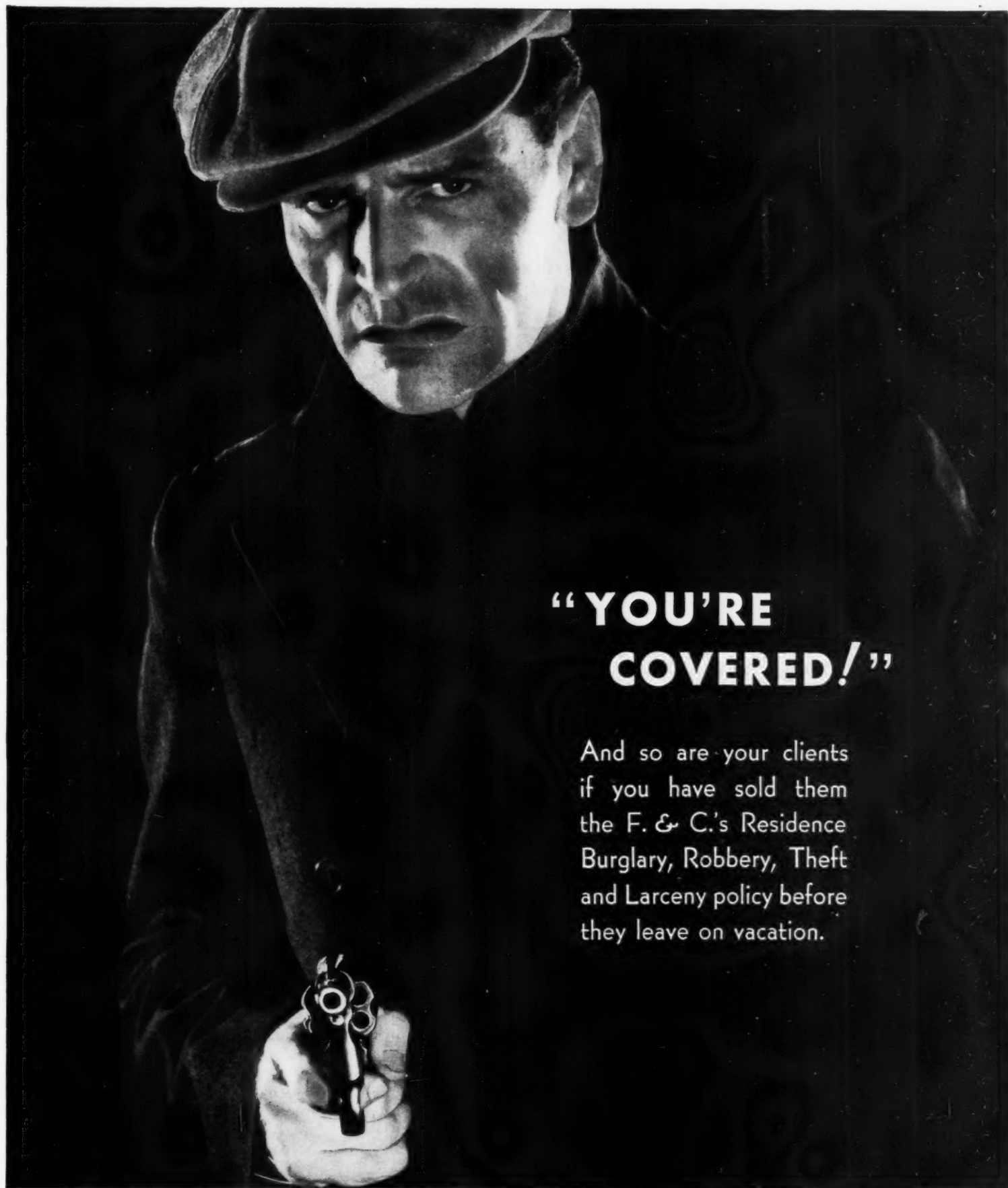
Personal effects of husband, wife and unmarried children residing together are insurable under this one policy practically anywhere, any time while away from home.

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New York

## Government Steps in Insurance Told by Murphy in Ohio

### Agents Association in Summer Conference Hears of Encroachment

By GEORGE E. WOHLGEMUTH

MANSFIELD, O.—Progress in the fight of insurance against the encroachment of government was reported by Ray Murphy, assistant general manager Association of Casualty & Surety Executives, at the annual summer conference here of the Ohio Association of Insurance Agents.

The danger still threatens, he warned. Much work needs to be done to safeguard the business.

"Striking evidence of a tendency to encroach upon private industry" was seen by Mr. Murphy into the proposal for creation of a federal insurance company to insure motor trucks. A monopolistic workmen's compensation fund is being agitated in Indiana, although experience with the Ohio fund, he said, has indicated the plan is fallacious in theory and not satisfactory in practice. Employees receive less benefits and employers pay more than they would under a system of private enterprise, he commented.

### Notes "Crackpot" Scheme

There is strong sentiment among the forces of labor in New York for a fund, which would be authorized by constitutional amendment, that would give benefits to anyone, regardless of negligence, providing they prove injury due to an automobile accident. This is a "crack-brain, crackpot proposition," Mr. Murphy said. "No one can predict the developments which will come in the next 20 years."

Attendance was more than 100. The formal program, one of the best since the meetings were initiated, was confined to an afternoon session, with golf in the morning for those who desired. A comprehensive review of state association activities was given by J. A. Lloyd, executive secretary; an informative discussion of safe driver reward by A. E. Spottke, manager automobile department, National Bureau of Casualty & Surety Underwriters, New York City, and a general discussion led by L. U. Jeffries, warden Ohio department. President Austin McElroy, Columbus, was in the chair.

### Set Up of Organization

Mr. Murphy said 61 stock casualty-surety companies with annual premium income \$700,000,000 constituted membership of the Association of Casualty & Surety Executives. Some 30 companies are members which are not in the National Bureau of Casualty & Surety Underwriters. The association, he said, is to be a buffer between agents and companies, enabling both groups to co-

## Commissioner H. H. Earle Plans to Invade New York

### Oregon Official Now Mapping Out the Course He Will Pursue in Making the Examinations

SALEM, ORE. — Commissioner H. H. Earle of Oregon is back from the Quebec convention of the National Association of Insurance Commissioners and in line with his announcement at the final session he is now perfecting his plans for the examination of a New York company starting about July 15. He has not announced what company will be selected. Some of the departments have assured him of their cooperation and have volunteered to assign some examiners.

Commissioner Earle has not yet decided whether he will conduct the examination as strictly an Oregon affair or, as is more likely, will conform as nearly as possible to zone and convention rules. Commissioner Earle states that there are available within his own state competent actuaries and examiners sufficient to form a staff for the purpose if he decides to conduct the examination strictly under the Oregon statutory requirement.

operate most effectively for the good of the business. He stressed necessity for co-operative effort. "We must all hang together or assuredly we shall all hang separately," he said.

The association is proud of its highway safety campaign, whose results now are becoming apparent, Mr. Murphy said. It is establishing a center at New York University for study of the accident control problem.

One of the main activities, he said, is maintaining contacts with governmental supervising authorities, necessity for this being shown by the fact that in 1936, 10,000 bills were introduced in state legislatures and in 1938, 40,000 bills are expected, many affecting insurance. A legal division is maintained to keep in touch with legislation.

### Job for Insurance Men

Mr. Murphy declared the average man has the greatest opportunity, most liberty, and best chance to secure happiness under a capitalistic, democratic system, of which the United States is the last stronghold. He criticized business men for patronizing un-American institutions. Insurance men should educate them to the dangers in that practice.

While on the defensive, insurance people should take the offensive, Mr. Murphy maintained. The President had called attention to alleged monopolistic control of insurance companies. "We have nothing about which to apologize and much of which to be proud," Mr. Murphy commented.

The association's claims division has done much to eliminate fraudulent claims, maintaining index bureaus in 11 cities where claims are checked as soon as the information being given to member companies.

Mr. Murphy declared that the association must constantly turn to the lo-

(CONTINUED ON PAGE 36)

## Philadelphia Agents Clash with Company Organization

### Resign in Body from Advisory Committee of Fire Underwriters Association There

PHILADELPHIA — Their dissatisfaction with the manner in which the organization is conducted having been brought to a head by the recent ruling on the flat 10 percent reduction on household contents in Philadelphia, making cancellation mandatory for an assured to receive the lower premium, the five agent members of the advisory committee of the Philadelphia Fire Underwriters Association have resigned in a body, effective immediately.

Under the by-laws of the Philadelphia board, vacancies on the committee can be filled only by the committee itself. However, as the committee now lacks a quorum, the advisory committee will be unable to function until after the new committee is elected at the annual meeting in November.

The agents who quit the committee are Charles T. Monk, who also is president of the Philadelphia Insurance Agents Association; Richard Cross, Jacob Haslein, George Smith and George Rowland.

### Feel Agents Should Be Consulted

Philadelphia agents have been dissatisfied for some time with the manner in which the board was run. For one thing, they felt that the advisory committee should be consulted before any action such as rate reductions and rulings is put into effect.

The mass resignation, it is said, is in protest against the present tendency to regard the advisory committee as a "rubber stamp" that will approve any and all action after it has been taken. The agents contend that they should have a voice in anything affecting their interests. Furthermore, that the advisory committee should be what the name implies or else should be done away with.

### Call Requirement Impossible

The agents of Pennsylvania appear up in arms at the E. U. A. ruling that all affected policies must be canceled in order to receive the recently announced rate reduction. Not only would this make all renewals come due on the same day, they say, but it would also be physically impossible for them to get out all the notices and new policies in a mass. They feel that the matter should be left to the agent's discretion, as in the past, and that a rebate is the ideal method in most cases.

Company officials and the agents committee of Pennsylvania's Association of Insurance Agents, met here to discuss the E. U. A. ruling. It was decided to refer the ruling back to the committee with recommendation for reconsideration. Agents want the matter left to their discretion as in the past.

Those attending meeting were S. H. Schoch, North America; J. Victor Herd, Fire Association; Ralph H. Alexander, Pittsburgh; James Lavelle, Scranton, and John K. Payne, Philadelphia.

## Group Sessions for Convention in St. Paul Listed

### Leaders Are Announced by the National Association of Insurance Agents

Group sessions devoted respectively to local boards and agency production will be held in connection with the annual meeting of the National Association of Insurance Agents in St. Paul the week of Sept. 26. The local board groups will meet Tuesday afternoon, Sept. 26, and the agency production groups the following day. Following are the group leaders:

Local Board Groups: Group 1, cities up to 50,000 population, L. F. Whelan, Greenwich, Conn.; group 2, cities between 50,000 and 250,000 population, W. H. Jennings, Jr., Rockford, Ill.; group 3, cities above 250,000 population, W. C. Meek, Seattle.

### Agency Production

Agency Production Conferences: Group 1, agencies with annual premium income up to \$100,000, W. A. Yerger, Jackson, Miss.; group 2, agencies with annual premium income from \$100,000 to \$300,000, L. P. McCord, Jacksonville, Fla.; group 3, agencies with annual premium income above \$300,000, F. T. Priest, Wichita.

All of these group leaders are prominent in business and active in association work. Mr. Whelan is president of the Connecticut association, Mr. Jennings is president of the Illinois association, and Mr. Meek is president of the King County Insurance Association.

Mr. Yerger is secretary-treasurer of the Mississippi Association, Mr. McCord has recently retired as president of the Florida association and is in charge of its insurance school. Mr. Priest is one of the best known agents of the country, having served for a number of years as a member of the National association's executive committee and as chairman of its finance committee.

President Liscomb of the National association, who has been in New York conferring with General Counsel W. H. Bennett, says the program arrangements are proceeding rapidly, and early announcement of some of the convention speakers is anticipated.

### PRELIMINARIES ARRANGED

NEW YORK—J. B. Miller, assistant secretary National Association of Insurance Agents, who in company with President C. F. Liscomb spent several days at St. Paul recently, expressed himself as highly pleased with the arrangements thus far effected for the annual meeting of the organization in that city the week of Sept. 26. G. H. Radcliffe, chairman of the local committee, and John P. Magee, vice-chairman, have been hard at work arranging the preliminaries, in which effort they have the united support of the agency fraternity

(CONTINUED ON PAGE 36)



## Public Relations Now Emphasized in B. D. Campaign

**Rodgers of W. U. A. Explains Program to Be Initiated in Midwest This Fall**

Business Development work in the middle west has passed through two stages—first, educational among field men and local agents, then expanding to include sales effort of institutional character directed toward more prominent mercantile and business risks. Now it is going into a third stage—public relations, with greater concentration on carrying the message of stock insurance directly to influential, key industrial and business leaders.

This information was given by Wallace Rodgers, assistant manager of the Western Underwriters Association, Chicago, at the annual meeting of the Illinois Fire Underwriters Association at Lake Wawasee, Ind.

**Received Enthusiastically**

The Illinois field men enthusiastically received the news of a more practical, direct approach to the problems of competition from non-stock carriers, seeing in the program ahead also great possibilities of constructive work in selling the merits of stock insurance to the public.

Illinois is in fact the test territory for the Business Development ideas. Through field men the W. U. A. first inaugurated its B. D. educational effort in Illinois, later extending it throughout W. U. A. territory. Both field men and agents have found the B. D. work a new, very effective approach to an old problem over which perhaps many of them had grown stale, and they are looking forward eagerly to initiating the newer sales and public relations activities in many key cities and towns.

### How Plan Functions

Mr. Rodgers explained briefly how the sales program operates. A suggested pre-approach direct mail letter has been prepared, which is to be sent out two days before a team of one local agent and one field man calls. The campaign is built around a "Buy at Home" appeal. In the interview it is stressed stock fire insurance is sold through local representatives, who have offices in the town for which they pay rent; who buy their supplies there, live there and employ persons who live there.

Business men, Mr. Rodgers explained, are all too familiar with chain store and consumer-cooperative competition in their own lines; with competitors who cut prices as low as is necessary to get the business. When the insurance message is put in their own language, in a large percentage of cases they are converted. He told instances of prospects to whom local agents had been unable to sell, who after the visit of the agent and field man had agreed to go along, and in many cases influenced their employees to do likewise.

### Reciprocity Questionnaire

The campaign in a given locality is laid out in detail before the approach to prospects is made. The zone committee of field men approaches local agents, securing promises of cooperation. A questionnaire is sent to these agents containing queries designed to develop reciprocity data relating to the agents' employees, automobiles operated, total yearly payroll, including commissions, dividends and other disbursements which create purchasing power in the community; how many people are dependent on the agency for their living;

## New Officers Now Take Hold



**FRANK N. JULIAN, Alabama**  
President

Frank N. Julian, insurance commissioner of Alabama, has now been installed in his new office as president of the National Association of Insurance Commissioners and Arthur J. Ham of



**ARTHUR J. HAM, Wyoming**  
Vice-president

Wyoming, vice-president. Both are highly respected and greatly esteemed. It is expected that the administration this year will be highly successful and bring good results.

how much is spent by the agency for maintenance of the office; how much the agent spends personally for living expenses, taxes, and so forth, which provides revenue for local business people, and how much on the average is paid to clients in losses, which sums are available for expenditure locally.

This data forms the backbone of the "Buy at Home" campaign, for it demon-

strates that the agent is doing his part in helping to build the community.

Mr. Rodgers said Illinois had been a fine proving ground for the B. D. program, and had had about the finest execution of the work in any of the mid-western states. There has been a definite gain in stock fire insurance sales in regions where the work was carried

(CONTINUED ON PAGE 36)

## THE WEEK IN INSURANCE

Agent members of advisory committee of Philadelphia Fire Underwriters Association resign in protest against rating action. **Page 3**

Threat of government encroachment in insurance business continues, Ray Murphy tells Ohio Association of Insurance Agents at summer conference. **Page 3**

National Association of Insurance Agents announces plans for its group sessions. **Page 3**

Bar against participating stock company representation raised by Virginia Agents Association at Hot Springs annual meeting. **Page 5**

President F. A. Gantert was the chief speaker before the mid-year meeting of the Maryland Association of Insurance Agents. **Page 7**

Emphasis on public relations in B. D. program to start this fall announced by Wallace Rodgers of W. U. A. at Illinois Fire Underwriters Association annual meeting. **Page 4**

Michigan field men's organization hold annual meetings at Gratiot Beach. **Page 5**

Wisconsin field organizations hold meeting at Elkhart Lake. **Page 5**

Illinois Fire Underwriters Association elects Gregg president at Lake Wawasee, Ind., annual meeting; Hasegawa heads preventionists. **Page 5**

Minnesota field men hold their annual summer meeting at Glenwood. **Page 4**

Interesting story arises out of the Fort Worth Insurance Exchange and Texas Association of Insurance Agents getting out of the Fort Worth Chamber of Commerce building. **Page 7**

Chicago agents and brokers are much interested in the conference that was held between representatives of the Chicago Board and the Illinois department. **Page 8**

Commissioner Earle of Oregon plans to examine New York Companies. **Page 3**

Pacific National Fire announces its field arrangement for the western department. **Page 13**

President Ross E. Coffin of the Indiana Association of Insurance Agents speaks to the Indiana field men. **Page 13**

Frank Lock, for many years United States manager of the Atlas, is dead. **Page 11**

Pacific Coast members of the National Automobile Underwriters Association have filed protest against its action of withdrawing the safe driver reward plan as applied to property damage insurance. **Page 19**

Acquisition cost for casualty and surety lines approved in Philadelphia has been extended to all Pennsylvania, New Jersey and Delaware. **Page 19**

Surety men expect a considerable increase in business under form No. 19 revised broker's blanket bond. **Page 19**

Franklin Mutual of Chicago consents to the appointment of a receiver inasmuch as assessments on policyholders are not paid. **Page 19**

American Medical Association and American Hospital Association clash on rendering of "medical service" by hospitals. **Page 20**

Ohio Accident & Health Association is organized at meeting in Columbus. **Page 22**

The new building of the United States Fidelity & Guaranty in New York City to house its office there is formally opened. **Page 25**

London Lloyds case being argued at Springfield, Ill. **Page 21**

Important comment on attorney-adjuster issue by New Jersey vice chancellor. **Page 21**

## Minnesota Field Meeting Attended by Many People

**Number of Company Executives Were Present and Participated in Events**

More than 125 members and guests attended the annual summer meeting of the Minnesota Underwriters Association, the Minnesota Fire Prevention Association and the Minnesota Blue Goose held at Glenwood, Minn.

A large delegation of company officials helped swell the total to the largest attendance in more than 10 years. Company officials attending were: E. W. Hotchkiss of New York, manager Western department Royal-L. & L. & G.; W. J. Tippery, Chicago, assistant western manager Aetna Fire; C. A. Dossdall, secretary St. Paul Fire & Marine; E. G. Frazier, Chicago, secretary Springfield Fire & Marine; R. G. Osgood, Chicago, assistant western manager North America; C. A. Keenan, general agent in charge of Minnesota for the Commercial Union; J. G. McFarland, superintendent of agencies, and Fred D. Hess, assistant manager western department American at Rockford, Ill.; C. H. Smith, Chicago, western manager of Hartford Fire; S. M. Buck, Chicago, western manager Great American and president Western Underwriters Association; O. J. Eastman, secretary Northwestern Fire & Marine; D. H. Moore, assistant secretary Home of New York, and C. F. Thomas, manager Western Underwriters Association, Chicago.

### Addresses Were Made

During the meetings of the Minnesota Underwriters Association and the Minnesota Fire Prevention Association addresses were made by Mr. Buck, Mr. Thomas and J. Harry Lewis, state agent for the St. Paul Fire & Marine in southern Minnesota, retiring president of the Minnesota Underwriters Association.

The report of Secretary W. P. Canterbury, Caledonian, for the Minnesota Fire Prevention Association included the following activities: Town inspections were held in Brainerd, Park Rapids, Anoka, Champlin, Waseca, Moorhead, Milaca and Grand Rapids, with 9,733 buildings inspected, of which 788 were found defective. Inspectors made 2,497 recommendations. The totals are not complete as yet for the last two towns, but it is believed compliance with the recommendations will exceed 50 percent.

Thirty-one school addresses were made by the speakers committee with an attendance of 9,425. In addition there were eight fire prevention banquets held in the evening of the inspections at which there was an attendance of 792 adults. During Fire Prevention Week there were 13 addresses made to schools, luncheons and clubs with an attendance of 3,114.

### New Officers Elected

Newly elected officers of the Minnesota Underwriters Association are: E. J. Lorenzen, New Hampshire Fire, president; W. P. Canterbury, Caledonian, vice-president; L. C. Zell, Hanover, secretary. Exec. comm.: W. J. Mitchell, North America; W. N. Hansen, Home; A. C. Schierhartz, Hartford Fire, and R. J. Jordan, Great American. E. G. Harper, Northern Assurance, was reelected president of the Minnesota Fire Prevention Association. A. R. Lofgren, Automobile of Hartford, is the new vice-president and W. P. Canterbury continues as secretary-treasurer.

At the evening meeting conducted by Most Loyal Gander John E. Jackson, (CONTINUED ON PAGE 31)

## Gregg Named Head of Illinois Fire Underwriters

**Haser Elected President of Preventionists at Annual Field Men's Rally**

By DALE R. SCHILLING

Many problems remain to be solved in Illinois, but there was a fine record of achievement in fire underwriting in the state during the year, President Fred W. Sundlof stated in his address at the annual meeting of the Illinois Fire Underwriters Association at Lake Wawasee, Ind.

R. H. Gregg, Crum & Forster, Peoria, vice-president the past year, was elected president. Other new officers are: Vice-president, Henry O'Loughlin, Phoenix of Hartford, Chicago; secretary-treasurer, Miss E. E. Edwards, Chicago; directors (one year), L. C. Larson, Eagle Star, Chicago; (two years) A. R. Marks, Great American, Chicago; Wesley E. Bayley, Hartford, Springfield, and E. W. McDowell, America Fore, Chicago.

### Many Town Inspections

The Illinois Fire Prevention Association held a brief meeting the second morning, R. K. Johnson, Globe & Rutgers, Chicago, presiding. The association has been very active, he reported, a number of town inspections being conducted. R. V. Haser, Ohio Farmers, Chicago, was elected president; J. Lewis Cassell, London Assurance, Chicago, vice-president, and A. J. Meyer, Automobile of Hartford, Chicago, secretary.

In the first business session, memorials were read to James E. Mattimore, Phoenix of London, and J. R. Trobaugh, Security, who died during the year. E. A. Henne, vice-president in charge of the America Fore western department at Chicago, represented the W. U. A. and commented on various matters in the discussions.

President Sundlof said the Illinois insurance code has clarified field work and made it easier.

### Says Code Is Effective

"In time," he said, "the code will loom more powerful in protection of the business and the public dollar. Already it has been effective in eliminating unsound business."

He declared nothing more important than the Business Development work had transpired during his 25 years in the fire business. He expressed regret that the three-fourths value clause had been eliminated in Illinois. This never was formally approved and became an "orphan" under the insurance code. He also spoke on agency progress, expressing appreciation for the fine work done in this connection by Manager C. F. Thomas and Assistant Manager H. W. Chesley of the W. U. A.

Mr. Sundlof also spoke on clearance of agencies, urging concentration on this matter to make Illinois 100 percent clear.

### Miss Edwards' Report

Miss Edwards reported finances in sound shape and the membership total now 58 honorary and 164 active. She noted that an unearned premium endorsement is being drafted and is expected to be promulgated before long for use in W. U. A. states. She said there remain 60 agencies in the state yet to be cleared, good progress having been made in the year.

Mr. Henne spoke on the balance situation, saying it was an old problem and probably always would trouble the business more or less. He said companies

(CONTINUED ON PAGE 31)

## Michigan Field Organizations Hold Annual Meetings

**Edleman Heads Underwriters, Syrett Field Club, Wolf Blue Goose, Nehman Preventionists**

PORT HURON, MICH. — Ideal weather favored 150 Michigan field men when they gathered at Gratiot Beach, above Fort Huron, for the annual two-day summer rally, including annual meetings of Michigan Blue Goose, Michigan Fire Underwriters Association, Michigan Field Club and Michigan Fire Prevention Association.

G. R. Edleman of Edleman & Hubbard, state agents Home fleet, was elected president of the underwriters, J. F. Rogers, North America, retiring president, presiding. Mr. Edleman has been active in association for a number of years, being vice-president last year and a member of the executive committee the previous year.

### Other Officers Elected

C. A. Dafeo, North British & Mercantile group, was elected vice-president, replacing Mr. Edleman, and W. R. Ewald, Detroit Fire & Marine, secretary-treasurer, succeeding W. D. Cameron, Boston and Old Colony.

A. F. Powrie, Chicago, western department manager Fire Association, past president of the association, spoke briefly, as did G. R. Pritchett, Indianapolis, American of Newark, and T. C. Little, Des Moines, Fireman's Fund, both former Michigan field men and past presidents. T. M. Hay, marine special agent Fireman's Fund, was elected a member. W. T. Benallack presented a radio set as a testimonial

(CONTINUED ON PAGE 26)

## Heads National Board's Executive Committee



R. P. BARBOUR

R. P. Barbour, United States manager Northern Assurance, has been reelected chairman of the executive committee of the National Board. He became a member of the committee in 1934 and its chairman last year, and is in line for advancement to vice-president in 1939 and to president later on.

Mr. Barbour has long been recognized as having one of the keenest minds in fire insurance and is the author of several textbooks on the business still ranking as guides for all seeking to make fire insurance their life work. In his business career he has run the gamut from clerkship to chief company executive, including both office and field experience, and profiting from each.

## Wisconsin Field Groups Hold Summer Sessions

**I. E. Frey Named Head of Both Blue Goose and Fire Preventionists at Elkhart Lake Rally**

ELKHART LAKE, WIS. — Officers elected by the Wisconsin Blue Goose at its annual meeting here are: Irven E. Frey, Firemen's, most loyal gander; D. W. Swanson, St. Paul Fire & Marine, keeper; E. C. Hauser, North British fleet, supervisor; Ely Shupe, Home, custodian; William Berry, Continental, guardian, and R. A. Kenzel, Northern Assurance, who is also grand welder, reelected welder. Delegates to the grand nest meeting in Los Angeles are H. C. Nurnberg, adjusters and R. M. Kenzel, with Sornell Anderson, Home, as alternate.

Mr. Nurnberg, retiring most loyal gander, presided. Five goslings were initiated. G. F. Risley, Great American, was in charge of memorial services for John Brown, Agricultural, honorary member; R. K. Meeker, National Union; W. J. Badenhop, North British & Mercantile, and Fred F. Gordon, Boston and Old Colony. Two members, F. J. Tompkins, New York Underwriters, and Walter Hunter, Security of Connecticut, transferred to other territories, were given farewell tribute.

At the annual meeting of the Wisconsin Fire Prevention Association Mr. Frey was advanced from vice-president to president; W. W. Ferguson, Queen, was elected vice-president, and Herbert Preston reelected secretary-treasurer. N. C. Lane, St. Paul Fire & Marine, presided as chairman, Herbert Preston, Crum & Forster, secretary-treasurer, reported on the year's activities. A number of cities were inspected during the year, and fire prevention educational work was done throughout the state by speakers appearing in various cities before clubs and other organizations.

### Dachenbach Reviews Year

Activities of the Wisconsin Fire Underwriters Association the past year were centered principally around the work of public relations, with the Business Development program carrying the gospel of stock fire insurance throughout the state with such success that the coming year will see greater activities along that line, President C. H. Dachenbach, United States Fire, said in his report at the opening of the annual meeting Wednesday.

Commenting on the mixed agency problem, Mr. Dachenbach said the problem has become more involved due to the present operation of casualty companies and their associates in agencies, which will require great care and thought in its treatment. He expressed the belief that this condition will gradually diminish to a great extent but suggested that care should be taken that this important question does not get beyond control.

Good results and a better understanding between the field men and the Wisconsin Association of Insurance Agents have been accomplished in discussion of current problems, he said, coming to a better understanding on questions of common interest to both groups. Similarly meetings with the Milwaukee Board have also brought good results.

### Urges Closer Relations

Recommendations made by President Dachenbach included closer relation between agents and company representatives and the carrying on with as much speed as possible of the stock fire educational program. Because of the work still remaining to be done and the importance of public relations, it was suggested that the vice-president of the association automatically become public relations chairman. A sub-committee of the public relations committee was

(CONTINUED ON PAGE 26)

## Virginia Agents Bar Participating Stock Carriers

**Limit Representation After July 15, 1939, at Annual Meeting in Hot Springs**

### OFFICERS ELECTED

President—J. Davis Ewell, Richmond (reelected).

Vice-president—Stuart Ragland, Richmond.

Secretary—Guy F. Via, Charlottesville.

Participating stock companies, mutuals, reciprocals and assessment concerns were barred from member agencies in a by-laws and constitution revision adopted at the annual meeting of the Virginia Association of Insurance Agents held at Hot Springs, Va. This action becomes effective July 15, 1939, the beginning of Virginia's licensing period, the period of one year being permitted to clear agencies of the prohibited fire, casualty and surety representation.

The new constitution and by-laws on first reading looked harmless enough, and might have remained so except for the plea of Stuart Ragland, Richmond, to incorporate the bar against participating stock companies and deviating carriers. A debate resulted which carried the session well past scheduled time for adjournment. Because of uncertainty as to the consequences, deviating companies were not included in the ban.

### Commissioner Bowles Speaks

The agents cheered Commissioner Bowles' statement that "hell will bust loose if agents do not cooperate with the insurance department in enforcement of the state's new resident agency law." This requires companies to operate in Virginia only through resident agents or agencies.

A resolution was adopted petitioning the governor to permit association representatives to consult with the legislative advisory counsel which is studying recodification of insurance law. Another resolution set forth that the association shall attempt to determine the attitude of candidates for public office regarding public stock fire, casualty and surety insurance, and if found unfavorable shall give notice to association officers.

### Association Stronger

The association has been greatly strengthened and a more militant attitude created, President J. D. Ewell said in his annual address, by the legislature's action in passing a qualification bill; by the safe driver reward plan, and the manager system under which the association has been working since Dec. 1. Mr. Ewell praised Manager O. H. West, reporting under the new plan membership reached an all time peak of 317 member agencies.

### Program Under Way

Mr. West reported that several years will be required to complete the local board system but it is definitely under way. He scolded agents who "ride on the coat tails" of the association, benefiting but contributing nothing.

C. F. Liscomb, president of National Association of Insurance Agents, declared the greatest opportunity for the insurance business to improve public relations rests with individual agents in their contacts with individual assured.

While the trail of public relations has been blazed, he said, the "broad highway that will lead us directly to the door of

(CONTINUED ON PAGE 37)





Snapshots taken on the Saguenay river trip of the National Association of Insurance Commissioners by H. H. Fuller, deputy U. S. manager Zurich, Chicago. Reading left to right, top row: J. R. Barry, vice-pres. Corroon & Reynolds; Miss Vivienne Earle, daughter of Oregon Comr.; H. H. Fuller; Mrs. Earle; (inset below) G. E. Merigold, gen. atty. Prudential Life, N. Y.; E. H. Sherman, asst. secy. Gen. Exchange, N. Y.; driver; A. N. Butler, vice-pres. Corroon & Reynolds, N. Y.; Mrs. & Mr. W. A. Sullivan, Washington Comr.

Second row—H. L. Wayne, Albert Willcox & Co., N. Y.; Mrs. Magrath, wife of J. J. Magrath, Chubb & Son, N. Y.; Mrs. Wayne; Mr. Magrath; Charles Hughes, chief auditor N. Y. Dept.; R. L. Bowen, Ohio Supt.; L. H. Pink, Supt. N. Y. dept.; George Lafrance, Quebec Supt.

Third row—Miss Elsie Leavy, deputy Comr. Texas; W. H. Bennett, gen. counsel Nat. Assn. of Ins. Agts. N. Y.; C. A. Gough, deputy Comr. N. J.; G. A. Bowles, Va. Comr.; Raymond Rhoads, asst. to Ohio Supt.; (inset) Mrs. A. D. Cronin, wife of



## Gantert Speaks of Stock Company Service to Public

### President Fidelity & Guaranty Fire Address the Maryland Agents Association

At the mid-year meeting of the Maryland Association of Insurance Agents at Ocean City, President F. A. Gantert of the Fidelity & Guaranty Fire was one of the chief speakers. He called attention to the fact that the stock companies as private enterprises have rendered a



FRANK A. GANTERT

great service to the public through the various organizations and bureaus that they support. In these days of regimented activities and searching investigation Mr. Gantert said that every business must justify itself and must be prepared to explain and protect its rights and position.

#### Right of Private Enterprise

Mr. Gantert said that he steadfastly held to the right of private enterprises to develop without competition from the government. Proper control, he acknowledged, is always in order but when it reaches the point of destructive supervision with almost impossible tax burdens, he declared it to be wrong. He deplored any tendency toward nationalization of any business that can be better conducted by private enterprise than the public. He said that the outlook for business depends to a great extent on the government program and its attitude. He called attention to the fact that the stock fire companies have \$86,000,000 invested in railroad stocks and \$154,000,000 in railroad bonds. This helps that industry in maintaining itself.

The premium dollar goes for losses, expenses and taxes. The local agents constitute the production branch. The cost for operating rating bureaus is \$14,000,000. On account of these bu-

(CONTINUED ON PAGE 37)

## Random Jottings Made at Illinois Field Men's Meet

The new president of the Illinois Fire Underwriters Association, R. H. Gregg, Crum & Forster, Peoria, Ill., although a much younger man than President Roosevelt, bears a striking resemblance to him, not only full face but profile. The similarity has been noted repeatedly by strangers during his travels around the state.

Miss E. E. Edwards is starting her 30th year as secretary. The permanent headquarters office in Chicago which she directs turns out a large volume of work with great efficiency. Miss Edwards is credited by the field men with having an amazing memory for all the details of her task. She formerly was secretary for 13 years to T. W. Letton, U. S. manager of the old Prussian National in Chicago, and then for some time connected with the Springfield F. & M. western department.

Attendance of 138 at the Wawasee meeting set a record.

Mrs. Lillian L. Herrling, secretary Illinois Insurance Federation, who ties up the detail work of a number of associations in the state, was on from Chicago to make contacts, being introduced to the field men by J. D. Lateer, Peoria, state agent Agricultural.

The committee on the president's address consisted of Leo N. Davis, Chicago, North America, chairman; W. B. Tobias, Hartford, Peoria, and A. H. Knight, Home of New York, Chicago.

A number of company officials and other guests were present besides E. A. Henne, vice-president America Fire, who took part in the program. These included: Melven LePitre, assistant manager Fire Association; Fred Bertiaux, assistant secretary Hanover Fire; C. W. Soderstrom, manager Illinois Inspection Bureau; W. Van Pelt, First Bancredit Corporation; Earl S. Miller, manager Illinois Audit Bureau, all of Chicago. Mr. Henne was accompanied by his wife.

A splendid "home talent" musical program was put on the first evening by association members. This promises to become an annual event. Forrest Earp, Glens Falls, Peoria, his wife and three young daughters contributed piano and vocal selections. Mildred and Carolyn Coen, daughters of James T. Coen of Olney, special agent of the Home for many years, with Evelyn Roberts and Mary Depler, accompanists, all from Bloomington, gave a truly professional performance of classical and popular music. Mildred Coen is a gifted violinist and concert master of the Bloomington Symphonic Ensemble; and her sister an able flutist. R. K. Johnson, Globe & Rutgers, Chicago, was "M. C."

Charles W. Good, state agent London & Lancashire, LaGrange, Ill., was honored for attaining 50 years in the fire insurance business.

A golf tournament was held the first afternoon. J. Lewis Cassell, London Assurance, Chicago, being in charge. C. J. Bitzer won first low net and E. H. Rosow, National of Hartford, second low net. J. R. Munro, Union of Indiana, Decatur, won low gross with a 77; E. A. Schumacher, Union of Indiana, Decatur, second low gross. H. E. Johnson, Jr., Aetna Fire, Chicago, won first low putts with 29; Stacey Cahn, L. C. Peterson, X. R. Royster, George Pape and F. A.

(CONTINUED ON PAGE 31)

## Extended Coverage in East Proving Very Popular

### Approximately Million in Premiums Is Developed from Line in Short Time

NEW YORK—Sale of the extended coverage contract throughout the Eastern Underwriters Association jurisdiction conservatively has produced an estimated million dollars in premiums since adoption of the contract some months ago. The gain, however, cannot be held as net as a percentage of the new premiums which cannot be accurately estimated previously was received for specific types of indemnity now embraced under the extended coverage form.

Originally termed the "supplemental contract" and first adopted in Western Underwriters' Association territory, the extended coverage form, as it is now known, is in use throughout the east save in New Jersey. It recently was sanctioned in the Southeastern Underwriters Association field and also is in force on the Pacific Coast. While uniform in the main, the contracts used in the several territories differ in some degree by virtue either of local conditions, or, in some instances, to conform to state laws.

#### New Jersey an Exception

Thus, the E. U. A. form, though acceptable to the New England and Middle Department boards, could not be used in New Jersey unless modified slightly in compliance with state statutes. A draft which it is felt will meet the situation, has been prepared by Leon Watson, state rater, and is now being studied.

Some differences as to contract conditions exist in the forms to be used in the west and south, but these are not of first importance. However, drafting, if possible, of virtually uniform contracts is the goal sought by the raters in charge of preparing forms, and it is believed eventually this will be done.

Local agents everywhere are much interested in the extended coverage. There have been many inquiries about it received by companies from the field. At local agents conventions, also, the subject has been prominent in discussions. At the recent mid-year gathering of the National Association of Insurance Agents at Hot Springs, Ark., M. E. Sprague, secretary of the Home, urged local men to push the sale of this form of indemnity, pointing out that the broad coverage which it furnished would appeal to property owners, in that under one contract indemnity could be secured against loss from a variety of hazards, which previously could be had only through specific policies.

#### Agents Much Interested

At the conclusion of his talk Mr. Sprague was queried by many agents who were eager to know the exact application of the various clauses. They asked why coverage obtainable under forms in use in particular regional jurisdictions was not permissible in others, emphasizing thereby the desirability of country-wide contract uniformity.

With the average premium rate for straight fire insurance being steadily reduced, and the strong probability that the trend will continue for some time to come, agents as well as companies appreciate the need for adopting some measure that will maintain incomes at least at present levels and feel the most practical means for so doing is through sale of the extended coverage form. For a slight advance in premium rate previously paid for fire insurance only, an assured can secure indemnity for a number of additional hazards, none fanciful, but each presenting real loss possibilities to both mercantile and residential properties.

## Mutual People in Action to Strike at Stock Folk

### Fort Worth Local Board and Texas State Body Forced to Move

FORT WORTH, TEX.—The Fort Worth Insurance Exchange, a branch of the Fort Worth chamber of commerce, and the headquarters office of the Texas Association of Insurance Agents, both domiciled in the Fort Worth chamber of commerce building, are hunting new quarters. It is said they have been advised to vacate their office by July 1.

Reports in insurance circles are that mutual insurance organizations and representatives in Fort Worth turned the heat on the Fort Worth chamber of commerce and forced the Fort Worth exchange and the state association headquarters to get out.

#### Moved to Chamber Building

The Fort Worth Exchange was the first organization of its kind in Texas to become a branch of the chamber of commerce. Several years ago when the situation at Fort Worth was deplorable and the board members could do nothing to remedy it, the exchange was reorganized as a branch of the chamber of commerce. Every member of the exchange was a member of the commercial body and the exchange moved into the chamber of commerce building at the invitation of the commercial body.

The new alignment appeared to clear up the ugly situation in Fort Worth. So successful was the plan that exchanges in other larger cities, especially Dallas and Houston, aligned themselves with the chambers of commerce as integral parts of those bodies, and domiciled their offices in the chamber of commerce buildings for the purpose of working more closely with the commercial bodies for the good of their communities.

#### Limited the Membership

Shortly after the Fort Worth Exchange became a part of the Fort Worth chamber of commerce it adopted a resolution limiting its membership to stock company representatives. Fort Worth had been, and is now, a strong mutual town. Some stock company agencies represented mutuals. Some mutual agencies represented stock companies also. The mutual insurance men carried the matter to the courts and the courts ruled the Fort Worth Exchange had a right to fix the qualifications for its own members, and it was thought the fight was ended.

Since that time, however, reports have been current that the mutual organizations, some of them, at least, were representing stock companies, and as such claimed they were entitled to membership in the exchange. It has been a ticklish proposition, and the exchange has tried to handle it without raising ill feelings.

#### Insurance Organizations to Move

It is now reported that the mutual organizations and representatives, among the heaviest financial backers of the Fort Worth chamber of commerce, and in some instances heads of important committees and boards of that organization, increased their membership and prestige until they are able to dictate the policy of the commercial body in certain matters. It is declared that the mutuals are directly responsible for the "order" from the chamber of commerce to the exchange to "vacate" by July 1. The reports from other circles close to

(CONTINUED ON PAGE 31)

pres. Arthur D. Cronin Co., Boston; W. A. Robinson, actuary of Ohio department. Fourth row—H. A. Joyce, deputy Comr. Maryland; (inset) H. D. McNair, Supt. Ontario; Mrs. Joyce; J. J. Magrath, Chubb & Son, N. Y.; H. L. Kearns, cas. mgr. Shaw & Begg, Toronto; Mrs. R. M. Clark, wife of comptroller Continental Casualty, Chicago; (below) Owen B. Hunt, Penn. Comr.

Fifth row—Mrs. J. R. Plummer, wife of pres. Commercial Standard, Ft. Worth; W. R. Mearns, mgr. special risks dept. Richards & Melling, Montreal; Mrs. A. M. Duke, wife of pres. Southland Life, Dallas.

Sixth row—H. L. Kearns, cas. mgr. Shaw & Begg, Toronto; W. A. Sullivan, Wash. Comr.; J. J. Holmes, Mont. Comr.; L. K. Reilly, N. J. Comr.; L. H. Pink, N. Y. Supt.; R. L. Bowen, Ohio Supt.; H. J. Mortensen, Wis. Comr.; (inset) G. W. Brown, counsel Amer. Mut. Alliance, Chicago; Mrs. Mortensen.

## AS SEEN FROM CHICAGO

### MONTHLY PERIODICAL INDEX

One of the most valuable services that Mrs. Evalyn F. Andrews, librarian of the Insurance Library of Chicago, maintained by the Chicago Board, renders insurance people is her monthly periodical index. The library receives 62 insurance periodicals which contain valuable articles. In fact, the periodicals contain material that may not be in books. Mrs. Andrews goes through the various magazines and culls out those articles that seem to be particularly valuable. Thus readers can either go to the library and peruse the articles themselves or in some cases they can be taken from the library for a limited period.

### DEATH OF MRS. G. W. BLOSSOM

Mrs. Carrie R. Bordman Blossom, wife of George W. Blossom, Sr., chairman of the board of Fred S. James & Co. of Chicago, died suddenly in their apartment at the Drake Hotel, Chicago, Saturday. Mr. and Mrs. Blossom had been spending the winter seasons in Pasadena and the summers, for the most part, in Chicago. One son, George W. Blossom,

Jr., is president of Fred S. James & Co., and another, Francis R., is vice-president. A daughter lives at Macomb, Ill. The funeral services were held Monday.

### LUNCHEON FOR PUSEY

T. L. Pusey, recently appointed Cook County manager of the Phoenix Assurance, was given a luncheon at the Union League Club by a number of his friends from the Critchell, Miller, Whitney & Barbour agency. Among the guests was Harry von der Lieth, manager of the eastern department of the Phoenix. Mr. Pusey's appointment is a recognition of long and valued service to his company.

### WILL SEEK THE BIG ONES

Four mighty Chicago devotees of Izaak Walton will leave this week for the northern part of the Lake of the Woods in Canada, the end of the railway journey being at Kenora. From there there will be a boat ride of two hours to a resort from which the fishermen will radiate. The quartette consists of S. M. Buck, western manager Great American; W. K. Maxwell, western

manager Hanover Fire; R. R. Lippincott, assistant manager Western Adjustment, and Gale Tillman, adjuster of the Western Adjustment. Mr. Buck has gone to this fishing ground during the last four or five years. Mr. Lippincott accompanied him there a year ago. They will seek muskellunge, northern pike and bass. They will initiate the two tenderfeet.

### FORM INSURANCE CAMERA CLUB

The Insurance Exchange Camera Club was formed at Chicago, the first officers being: President, Frank S. Coffin, Moore, Case, Lyman & Hubbard; vice-president, John Webb, Conkling, Price & Webb; secretary-treasurer, Janet Murray, Pearl Assurance. Meetings will be the first Monday each month in the Chicago Board auditorium, save in July, which will be the 11th. This will be print criticism night. Interested persons are invited to attend. Membership fee is \$1, the roster being limited to 100. Twenty-five joined at the organization meeting. Salons will be held occasionally, one being planned to open Nov. 1, final date for entry of prints being Oct. 25. Pictures will be judged by qualified judges who are not members of the club.

### MANY LOSSES REPORTED

Companies have been overwhelmed with windstorm losses during the last few weeks and the procession has been almost continuous. Some companies report that never before have they had as many losses. Much more work now is involved in adjusting and handling the losses due to the fact that agents have gotten most of their policyholders interested in the extended coverage plan which includes hail losses as well as wind. Many of the recent storms have resulted largely in hail claims. A multitude of roofs, sidings and panes of glass were broken. Most of the claims come from Texas, Oklahoma, Kansas, Missouri, Illinois, Indiana, Kentucky and Tennessee.

### NEW INSURANCE BOOK LIST

A new insurance book list has recently been published by the Insurance Library of Chicago, Insurance Exchange, which contains more than 50 recent books acquired by the library on fire, casualty, marine and life insurance. There are also many new books relating to agency management, economics, besides reports received from 26 states and laws enacted during 1937 in 13, including Canada. This list, compiled by Mrs. E. F. Andrews, librarian, may be obtained gratis.

### INTEREST AS TO COMMISSIONS

Chicago agents and brokers are much interested in the parley that was held between representatives of the Illinois insurance department and the Chicago Board. Evidently the department has been gathering statistics as to rates and cost in Cook county, breaking down the premium into its essential elements. The conference was entirely a friendly one. Insurance Director Ernest Palmer, who was formerly manager of the Chicago Board knows its ins and outs, its internals and externals. He was accompanied by Assistant State Director Roy L. Davis, R. T. Nelson, formerly secretary of the Chicago Board, and H. A. Miller, rating expert.

Evidently the main issue centers about acquisition cost as the department men claim in the analysis of the premium dollar that element is entirely too high in comparison with that shown in other cities. The recommendation was made that the Chicago Board people themselves attempt to adjust this matter before it goes further. It was declared that the acquisition cost in some classes cannot be justified and should be rectified. The Chicago Board has different classifications so far as compensation is concerned, starting with Class 1 and followed by Class 2 and the broker classifications. Naturally a reduction in commissions anywhere up and down the line will have a serious effect. The de-

partment men seem to feel that the reduction should start at the top and then be adjusted down the line. Further conferences will be held and in the meantime the Chicago Board people were left with the understanding that they would see what could be done.

### AUTO SUPERINTENDENTS' OUTING

The Automobile Superintendents Club of Chicago held its annual golf party at River Forest Country Club. Although there was considerable rainfall in the morning, members were able to play 18 holes in the afternoon to decide who was to be the club champion. J. M. Japenga, National Automobile Underwriters Association, took first prize, and annexed the trophy presented by Karl Wupert, London Assurance. In spite of the weather the club had its usual good attendance, which can be attributed to the efforts put forth by Arch Richards, Earl Miller and Howard Marshall, the golf committee.

### Hobbs Has Opponent

Victor L. King of Atchison, for four years Kansas motor vehicle commissioner, has filed for Kansas insurance commissioner on the Republican ticket in opposition to C. F. Hobbs, veteran commissioner, who is seeking reelection. Mr. King is a former city official of his city and has spent a number of years in the insurance business.

### Insurance Advertising Rally

The annual meeting of the Insurance Advertising Conference will be held Sept. 12-13 at Oyster Harbor, Mass.

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## ANOTHER STEP FORWARD



### PACIFIC NATIONAL FIRE INSURANCE COMPANY

Announces the  
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## New Western Department Insurance Exchange Building, Chicago

A completely equipped Western Department now augments Pacific National's nation-wide organization. ★ This new Chicago office brings complete Home Office facilities to our agents, brokers and policyholders in these 14 important states: ILLINOIS, OHIO, INDIANA, MICHIGAN, WISCONSIN, MINNESOTA, KENTUCKY, IOWA, NEBRASKA, KANSAS, MISSOURI, OKLAHOMA, NORTH DAKOTA AND SOUTH DAKOTA. ★ An experienced personnel, under the supervision of capable executives and field men, will provide prompt, efficient service for the writing of fire, automobile and inland marine risks.

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See our advertisement in the July 11th  
issue of LIFE, July 11th issue of TIME,  
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## Urges Building of Allied Lines by Local Agents

**Secretary W. M. Houston, Northern Assurance, Gives Address to Maryland Men**

W. M. Houston of New York City, secretary Northern Assurance, in his address before the mid-year convention of the Maryland Association of Insurance Agents at Ocean City, Md., spoke on sidelines as a means of augmenting the income of agents. He said that there are only two objectives for which every agent should strive: First, to give his clients the broadest protection available at the lowest legitimate cost and, next, to increase the commission dollars in his pocket in every legitimate direction.

He urged agents to continue their efforts on straight fire and casualty lines but called attention to the supplemental classes which fill gaps and stop leaks. They are "allied lines" rather than "side-lines," he averred.

### Peace of Mind Insurance

He said the day of multiple peril or full insurance protection to value is here. He characterized this as "peace of mind insurance." Ocean marine policies were the first that embraced multiple peril protection. Then came the inland transportation policy. In the western states the personal property floater is written very comprehensively. The all-risk comprehensive automobile policy came into being. The extended coverage endorsement was a progressive step.

Mr. Houston said that agents have the tools with which to work, meaning facilities. First, facilities for readily acquiring full and complete knowledge as respects to all lines, second, facilities enabling one to learn the selling points and advantages to the assured of each line, third, facilities in the form of trained company men to assist in the actual solicitation.

### Allied Lines Premiums Grow

He illustrated the use of the allied lines by calling attention to the fact that often in fruit belts, vegetables are grown between rows of trees, the latter representing the collateral lines. These collateral lines afford the opportunity of frequent contact with an assured. Premium income from allied lines during the depression years, Mr. Houston said, has shown a greater growth than during any equal period in the insurance business. An agent, he said, should show a property owner the hazards to which he is exposed. He then realizes that there are other perils than fire. Extended coverage as a unit, he said, should be sold. Who would think of buying fire insurance without lightning? he inquired. "Assume the same attitude toward extended coverage, for tomorrow it will be just as much a matter of custom and common practice for the extended coverage endorsement to be attached as it is today for the lightning clause," he added.

### Three Cardinal Points

Mr. Houston said that talking about rent insurance is the easiest approach to use and occupancy. At least it tells an assured the way he can best understand that U. & O. insures the usefulness of property. Every householder needs rental value insurance, he said, to give him real protection. In referring to U. & O., net profits and fixed expenses he said these cardinal points should be remembered:

1. Whether the business is operating or not there are certain expenses which

## ATTENDED QUEBEC CONVENTION



Snapshots at National Association of Insurance Commissioners meeting in Quebec. Top row, left to right: Gay Gleason, general counsel Employers Liability; (inset) J. V. Barry, former Michigan Comr.; G. H.

Newbauer, Indiana Comr.; A. D. Cronin, broker, Boston; (inset) T. J. Cullen, first deputy superintendent N. Y. department; L. A. Pink, New York Supt.

Bottom row—C. E. Ryan, chief fire di-

vision New York department; G. A. Bowles, Virginia Comr.; Col. Jos. Button, manager Stock Company Assn.; Owen Hunt, Pa. Comr. Photos by Harry H. Fuller, deputy U. S. manager Zurich, Chicago.

continue as a constant outgo from the owner's funds.

2. Any net profit that the business would have earned had the plant not been damaged or destroyed, which cannot be earned elsewhere, is that much dead loss to the owner.

3. Frequently a U. & O. loss can far exceed a property damage loss in the same plant, and a properly written U. & O. contract may stand between the assured and bankruptcy.

### Leasehold Protection

Little is heard about leasehold insurance, he declared, unless property or rent values rise or fall considerably. Then a tenant may realize that he has a more valuable tenancy than he is paying for or an owner may realize that he is getting more rent under a lease than the market would provide. Both are insurable. There is also profits and commissions insurance which indemnifies one for loss of profits on unfinished goods. When a wholesaler or manufacturer has a supply of finished goods in storage awaiting delivery, a loss destroying the goods would result in a substantial one involving anticipated profits, as well as the cost of the destroyed stock.

Extra expense insurance is much needed and is a salable type of contract which has been designed for colleges, universities and other educational institutions depending on tuition fees. Contingent use and occupancy for the chain store manager is a valuable coverage for he depends in all or in part for his income on an agreed percentage of the profits of the store he manages.

## Hail and Windstorm Losses in Southwest Are Heavy

The Fire Companies Adjustment Bureau experienced one of its most active seasons in handling hail and windstorm losses in the southwest the early part of this month. Estimated losses in Oklahoma and Texas during the first five and a half months will total close to \$2,000,000. This estimate is based on the fact that the adjustment bureau alone has settled claims for property damage of approximately \$1,000,000.

In addition to damage to property resulting from the storms, there has been heavy damage to crops, estimated at as much as \$500,000. It is felt that independent adjusters, local agents, field men and general agents have adjusted additional losses to property to add another \$500,000, thus making up the total of \$2,000,000.

The adjustment bureau had completed 13,723 proofs out of 18,878 claims resulting from hail and windstorm losses in Oklahoma and Texas up to the early part of this month. Additional proofs completed by independent adjusters and other company representatives will bring the figure close to 20,000 by the time the claims are cleared up. Most of the claims for damage to buildings have been for small amounts, averaging about \$50, although some run higher. This situation which has increased the claims has made it necessary for the adjustment bureau to have a large staff in the southwestern territory, many coming from other districts to assist in the work.

There has been an almost unbroken

series of hail and wind storms in Oklahoma and Texas territory since the first of the year. Cities and towns in Oklahoma hardest hit are Ada, Clinton, Hugo, Holdenville, Lawton, McAlester, Muskogee, Oklahoma City and vicinity, Tulsa, Miami and vicinity. In Texas the cities and towns most affected are Amarillo, Lubbock, Wichita Falls and San Antonio.

### Fire Department Record System

To enable municipal fire departments to modernize their records and reporting procedures, De Wayne E. Nolting of the National Fire Protection Association has prepared a "Model Records and Reporting System for Fire Departments," which has been published by the Public Administration Service. The book explains clearly how the record system can be installed and shows how it works. Copies of all forms suggested are shown, along with how they are supposed to be used.

Many of the systems used in various cities have been developed haphazard so that the standardized procedure suggested by Mr. Nolting is of great value. Mr. Nolting has designed and installed a complete record and reporting system in the Cincinnati fire department and has assisted many cities in modernizing their records. Copies of the manual may be purchased from THE NATIONAL UNDERWRITER for \$2.

The Richmond of New York has been licensed in Arkansas with Irel J. Reaves designated agent for service.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### BLUE GOOSE MEETS JUNE 29

In an effort to induce a larger turnout of the members, the annual meeting of the New York City Blue Goose will be held June 29 at the Cedar Ridge Country Club, Livingston, N. J., where the lure of the golf links is expected to make an additional appeal.

### RHYAN BACK FROM TOUR

W. R. Rhyan, secretary North British & Mercantile in charge of inland marine and specialty lines, is again at his office in New York after an extended trip across the country, spending considerable time on the Pacific Coast. In the latter territory he found agents, as a rule, well posted as to the specialty lines and aggressive in their solicitation. In southern California notably there is considerable wealth and coverage on paintings and objects of art is freely written. With the sloughing off in income from straight fire risks, local agents are more receptive than ever to the opportunities for commissions through the sale of personal effects floaters and other so-called "side lines."

### PRESIDENT SMITH HOST

President H. V. Smith of the Home group, was host to his fellow officers and departmental heads at the annual outing upon the golf links of the Arkola Country Club, Ridgewood, N. J., June 28.

### FORMER MANAGER ATLAS DIES

Frank Lock, 83, who prior to his retirement as United States manager of the Atlas of London in 1922 was a widely known and highly esteemed figure in fire insurance circles, died at his home in Westfield, N. J., following a few days serious illness. A son conducts

an insurance agency at Plainfield, N. J.

A native of the Isle of Wight, off the English coast, Mr. Lock gained his early insurance training with several companies in London. He was appointed United States manager of the Atlas in 1891. The adjustment of fire losses in this country in the early days was lax in the extreme and Mr. Lock devoted close study for their improvement, his efforts resulting finally in the formation of the General Adjustment Bureau, of which he was the first president. He also served at different periods as president of the Eastern Union and of the New York Fire Insurance Exchange. Long a member of the National Board, Mr. Lock at the time of his death was its only honorary member.

A thorough student of fire insurance affairs and a writer of exceptional merit Mr. Lock's reviews of the business which he prepared annually for the "Journal of Commerce" up to the time of his retirement were classics. He was also a weekly contributor to a British insurance journal, giving to underwriters on the other side a running summary of important happenings in the fire field on this side. He often addressed agency gatherings, always in a scholarly and informative way.

Though long inactive, Mr. Lock retained the chairmanship of the New York board of the Atlas and served as a director of the Albany.

### DISCUSS PROPOSED CODE

Members of the joint legislative committee on insurance law revision were in session at Albany, N. Y., with representatives of the insurance department Friday, going over a number of features of the proposed new code. The views of the committee as agreed upon so far as Articles 1 to 5 are concerned, are set

forth in a supplement, and the same course will be followed shortly as to Articles 6 and 7. The articles reviewed and made public deal respectively with: definitions-penalties; organization of insurance department; administration and procedural provisions; organization, licensing and corporate procedure of insurers and, assets, investments and deposits. Article VI concerns agents, brokers and adjusters, and Article VII, relates to the insurance contract.

Chairman Piper has stated his intention of holding public hearings on different features of the code at various centers throughout the state, the initial meeting to take place at Buffalo shortly. Later meetings will probably be held at Watertown, Glens Falls and other cities.

In a prefatory note addressed to insurance companies doing business in New York and other persons interested, Assemblyman R. Foster Piper, chairman of the joint legislative committee for the recodification of the insurance law states that in order to receive consideration, any memoranda in reference to Articles I-V must be filed with the insurance department's New York office not later than July 18 and copies of such memoranda must also be filed with the joint legislative committee at the same time. The committee's address is room 439, state capitol, Albany, N. Y.

Superintendent Pink, in a foreword states that the department hopes that the changes enumerated in the supplement represent the final draft of the revision.

"Everyone has been urged to make suggestions and a full hearing has been granted to all," Mr. Pink stated. "This method of procedure will be continued as far as it can be during the coming year. We are, however, approaching the final wind-up and it is our belief that a practical, workable and revised code can be presented to the legislature for adoption at the next session."

Professor Patterson and our departmental committee have been working

almost continuously for the past six or eight weeks in an effort to further simplify and shorten the law. The proposed changes . . . represent what we hope will be the final draft. With the continued cooperation of the legislature, the industry and the department we can produce an insurance law which will be worthy of the state and a credit to the institution of insurance."

Mr. Pink expressed appreciation for the cooperation the department has received from the joint legislative committee and from the industry itself. A great deal of time and effort has been spent by the committees of the various branches of insurance in constructive criticism and in making helpful suggestions, he said.

### HAS TENTH ANNIVERSARY

The United States Aviation Underwriters is ten years old this week, having been incorporated June 30, 1928. The United States Aviation Underwriters is the underwriting manager for the companies comprising the United States Aircraft Insurance Group. Its key personnel has been largely drawn from men with practical aviation experience.

D. C. Beebe, president, was a World war flyer and was shot down behind the German lines. He was formerly with Marsh & McLennan. Reed Chambers, vice-president, was a war time ace and succeeded Capt. E. V. Rikenbaker as commanding officer of the 94th pursuit group, known as the hat-in-the-ring squadron. After the war he was president of Florida Airways, the first air-mail contractor in the United States.

W. L. Jack Nelson, production manager, was co-owner of a flying service in Memphis before going into aviation insurance. George Orr, superintendent of claims, was formerly president of Roosevelt Field, near New York City. R. B. Quick, chief engineer, was formerly supervising engineer and test pilot for nine years with the United States Bureau of Air Commerce. H. B. Brainard, former chief of the United States marine corps

# ★ NORTH STAR INSURANCE COMPANY

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

### Items from Financial Statement of December 31, 1937:

Capital . . . . .	\$ 600,000.00
Surplus . . . . .	1,650,849.35
Loss Reserve . . . . .	223,539.42
Premium Reserve . . . . .	1,587,947.94
All Other Liabilities . . . . .	56,735.37

Total Admitted Assets . . . \$4,119,072.08

Securities carried at \$374,922.21 are deposited  
in accordance with law.

*Fire and Allied Lines Reinsurance*





# Eagle Star

## Insurance Company Ltd.

90 John Street, New York

A Large Company Doing An International  
Insurance Business. Offices  
Are Located Throughout The World.

FIRE      AUTOMOBILE      MARINE

HARRY G. CASPER  
United States Manager

BERT A. JOCHEN  
Assistant U. S. Manager

SOUND - SOLID - SUCCESSFUL

ORGANIZED  
1869



CAPITAL  
\$3,000,000.00

NEW HAMPSHIRE FIRE INSURANCE  
ALWAYS A SYNONYM FOR  
STABILITY, SERVICE AND THE SQUARE DEAL  
TO AGENTS AND POLICYHOLDERS

NEW HAMPSHIRE  
FIRE INSURANCE CO.  
MANCHESTER, N.H.

GRANITE STATE  
FIRE INSURANCE CO.  
PORTSMOUTH, N.H.

ORGANIZED 1885

CAPITAL \$1,000,000.00

air service and later president of Curtiss-Wright Flying Corp., is in charge of accident business in the military, naval, and marine corps branches of the service.

Among those whose background is that of insurance rather than aviation, are R. S. Anderson, formerly of Marsh & McLennan, who has charge of policy contracts, and Carl Fisher, formerly of the Standard Accident of Detroit, who is in charge of compensation, airport liability, personal accident and miscellaneous non-flying lines.

Many changes have taken place in aviation insurance policies in the last 10 years. Policies now have about one-third the number of words that the original contracts contained, while exclusions are about one-quarter of what they formerly were. Rates have gone down an average of 30 percent. In some cases the decrease has been as much as 75 percent in the passenger liability end.

United States Aviation Underwriters now has a Canadian affiliate, the Canadian Aircraft Insurance Group, of which the vice-president in charge is J. H. Tudhope, former director of civil aviation for the Canadian government.

#### NEW YORK SOLON ARRESTED

Edward S. Moran, Jr., a member of the New York Assembly for 11 years, upon its insurance committee and also upon the joint legislative committee on insurance law revision, was arrested June 24, charged with bribe-taking from the executives of two large taxicab concerns. Pleading not guilty, Mr. Moran was released under \$10,000 bail.

#### "WEEKLY UNDERWRITER" ALMANAC

The "Weekly Underwriter," 80 Maiden Lane, New York, has gotten out the 1938 edition of the "Insurance Almanac," one of the best reference books of insurance in the country. It costs \$3. It comprises the entire field of insurance and the contents of the volume are well analyzed and presented. Insurance men will find it most valuable to have on their desks. It is a mine of very useful information.

#### BIG FIRES IN MAY LISTED

The New York Journal of Commerce reports these fires that occurred in May which are estimated to have cost \$100,000 or more:

Addison, Me., theater, stores, apartments, grain company and church, \$125,000; Portland, Me., coal storage shed, \$500,000; Holyoke, Mass., zeland plant, \$100,000; West Roxbury, Mass., two ice houses, \$100,000; North Caldwell, N. J., dressing rooms and pavilion of Mountain View swimming pool, \$100,000; North Wildwood, N. J., night club, \$200,000; South River, N. J., lumberyard, \$150,000; Salamanca, N. Y., railroad shop, \$100,000; Burlington, Vt., apartment store, beauty shop and three other stores, \$150,000; Atlanta, Ga., hotel, \$105,000; Waycross, Ga., planing mill, \$100,000.

Also: Belvidere, Ill., milk condensery, \$200,000; Edwardsville, Ill., oil refinery, \$500,000; Roxana, Ill., oil refinery, \$200,000; Coffeyville, Kan., office building, \$100,000; Harlan, Ky., coal tippie and head house, \$150,000; Grand Rapids, Mich., lumberyard, \$100,000; St. Paul, paper plant, \$100,000; Toledo, two business buildings, \$116,000; Los Angeles, trailer plant, \$100,000; Los Angeles, furniture warehouse and six trucks, \$100,000; Sacramento, packing plant, warehouse, \$600,000; Santa Rosa, Cal., poultry, market plant, \$100,000.

B. M. Crosthwaite, 57, head of the insurance agency of B. M. Crosthwaite & Co., 80 William street, New York City, died at his home at Pelham Manor, N. Y., Friday. Gerald Crosthwaite has been associated with him in the insurance business.

#### First Bancredit Official Resigns

ST. PAUL—A. F. Soucheray, Jr., has resigned as vice-president of First Bancredit to become general manager of the St. Paul Abstract & Title Guarantee Co., established 50 years ago by the Soucheray family. He returns to the firm after an absence of several years to fill a vacancy caused by the death of an uncle, H. C. Soucheray.

#### Educational Service Man Is Honored



C. D. MINOR

Following the completion of 10 months of training in an educational lecture course conducted under the leadership of C. D. Minor of New York City, secretary of the special service department of the Royal L. & L. & G. group, 28 staff members gave a dinner in his honor. Manager Harold Warner and Assistant Manager H. C. Conick were among the guests.

The lecture courses, which were inaugurated a year ago last September, have included meetings on Tuesday and Friday of each week and have covered intensive reviews of insurance principles and practices as applying to fire insurance and allied coverages in the various fields in which the companies are active. There have also been frequent addresses by guest speakers on various phases of applied salesmanship. The purpose of the course, now firmly established as a part of the Royal-Liverpool's extensive educational activities, is to equip a selected group of staff members for responsibilities as fieldmen or for more responsible underwriting duties in the home office.

#### Jack Fontaine Is Toastmaster

Jack Fontaine, Jr., a member of the class, was toastmaster. Raymond Ponsold, another class member, expressed to Manager Warner the appreciation of the entire class for the educational opportunities afforded by this ten-month training period. J. H. M. Partington, as spokesman for the class, read several telegrams from those members of the class who have already been assigned to field positions and who were consequently unable to attend. Mr. Partington presented Mr. Minor a handsome radio set.

#### Canadian Officers Elected

Election of new officers of the Canadian Underwriters Association is announced. The election took place at the annual meeting this week at St. Andrews, N. B. The slate is: President, E. J. Kay, North British & Mercantile; vice-presidents and chairmen—Fire branch, Adam McBride, Great American; casualty, S. W. Band, U. S. Fidelity & Guaranty; automobile, Kenneth Thom, Western Assurance.

Vice-chairmen—Fire, B. W. Ballard, Hartford Fire; casualty, John Jenkins, Employers Liability; automobile, A. C. Hall, Ocean.

Members of the council—F. S. Garrison, Travelers; L. T. Hargraves, Pearl; C. E. Sanders, Atlas; R. L. Stalling, Sun; E. M. Whitley, Norwich Union.

John I. McNeil, publisher and insurance agent at Wessington, S. D., died at his home June 23. His health has not been the best for sometime but he continued to report for duty regularly until his condition became worse a day or so previous to his death.



## COMPANIES

### Revives Old Fire Mark for Its Agents' Sign

The Charter Oak Fire of Hartford has just issued an agent's sign in the size and style of an old "Fire Mark." In choosing this as a sign the company was influenced by that romantic period, some 200 years ago, when a fire mark over the front door indicated an insured property. Upon an alarm, the fire brigades raced to the scene; the brigade recognizing its fire mark over the door fought the flames; the others either withdrew or remained to taunt the active company. A building with no fire mark had to depend on the feeble aid of friendly neighbors and a bucket brigade. Shrewd property-owners distributed their insurance among several companies, posted their fire marks and were thus assured the assistance of several fire brigades. Fire marks went out of use with the advent of municipal fire departments. For a time, small copper or tin plates were issued as advertising signs.

### Union Complaints Dismissed

MILWAUKEE — The Wisconsin state labor relations board has dismissed charges of espionage and discriminatory discharge of employees filed against the Northwestern National by its Employees' Association, an independent labor union, and the United Office & Professional Workers, a C. I. O. union. Complaints were filed last fall after discharge of 17 employees, eight of them being among the original 12 organizers of the independent union and two affiliated with the C. I. O. group.

The labor board declared that there was no evidence that the company spied on workers or kept them under surveillance while they were exercising their rights guaranteed them under the labor act. It held that the company had not discharged the employees "because of their membership in or activities on behalf of any labor organizations, and has not by any form of discrimination in regard to employment discouraged membership in any labor organization."

### Plan to Form Exchange F. & M.

SAN FRANCISCO — Commissioner Carpenter has approved the name "Exchange Fire & Marine" for a new organization planned by a group here.

### Report on Church Properties

Church Properties Fire now has insurance on more than 2,900 churches as well as many other ecclesiastical institutions, according to the annual report of the Church Pension Fund of the Protestant Episcopal Church, with which Church Properties Fire is affiliated. W. F. Morgan, Sr., president of the fund, in referring to Church Properties Fire, said: "By its ability to reduce rates and its facilities for the quarterly payment of premiums, without interest, it has saved large sums of money for the church in the cost of carrying its fire insurance."

### National F. & M. Capital Increase

The National Fire & Marine of Elizabeth, N. J., with executive offices in New York, has increased its capital from \$955,000 to \$1,000,000 by an increase in the par value of the common from \$36 to \$38 a share and the issuance of 184 additional shares of preferred stock at par value \$100 each. The paid in capital now is \$505,400 common, par \$38, and \$494,600 preferred, par value \$100.

Under the sponsorship of the Raleigh, N. C., insurance board a testimonial dinner will be given July 5 to honor the 70th anniversary of the founding of the North Carolina Home.

The Service Fire of New York has been admitted to Nebraska.

## NEWS OF FIELD MEN

### Completing Field Personnel

#### Pacific National Fire Announces Its Plans in Central Western Territory Under New Department

The Pacific National Fire has extended its field organization in the middle west in keeping with the opening of the western department at Chicago in charge of Vice-president W. L. Wallace. H. G. Patterson has been appointed special agent in Minnesota, Wisconsin, North and South Dakota. A. B. O'Malley, who has been handling these states along with Illinois, will now give all his attention to Illinois.

Morris DeHority is made special agent in Indiana and Kentucky. He has his office in the Chamber of Commerce building, Indianapolis. He has had his own agency in Indianapolis. A special agent for Michigan will be appointed soon. That will complete the quota of field men.

Mr. Patterson's fire insurance experience commenced with the Hartford Fire on his return from overseas army serv-

ice. He spent two years traveling through the northwest, also in Kansas and Ohio. Later he became connected with Marsh & McLennan in the engineering department at Chicago, traveling through the west, southwest and Chicago territory. He entered the special agency field in 1927 traveling Michigan, Ohio, Indiana and Illinois for the Westchester, Employers Fire and the Transportation. He later opened his own service office in connection with engineering, adjusting and policy service in Chicago.

Mr. Patterson has many friends in the business and is well equipped. He will make his headquarters in the western department at Chicago.

The Pacific National opened its Kansas City service office in the Insurance Exchange under the direction of George R. Jones, assisted by Carter Williams. Next fall it plans to open a similar office either in Minneapolis or Milwaukee to service the northwest section.

Vice-president Wallace will divide his time between Chicago and Philadelphia, probably spending most of his time in Chicago. Charles W. Ade, assistant manager, is his right hand man in the western department. The formal open-

ing of the new western department of office with entrance 1550 Insurance Exchange will take place Friday. Then Mr. Wallace will go to Boston and open an office there with T. J. Butler, formerly with Corroon & Reynolds, as special agent in New England. The new western offices are fully equipped to handle the business and will get under way at once.

### Agent Addresses Field Men

#### Ross E. Coffin, President Indiana Association of Insurance Agents, Tells What Is Being Accomplished

LAKE WAWASEE, IND.—At the annual meeting of the Indiana Fire Underwriters Association this week Ross E. Coffin of Gregory & Appel of Indianapolis, president Indiana Association of Insurance Agents, explained how the scheme of organized local agents in no way conflicts with what the organized field men are endeavoring to accomplish. Both are trying to keep the business on as high a level as possible. Mr. Coffin expressed the opinion that such a result could only be obtained by encouraging the agents who are actually making a profession of insurance. He spoke of the value of public opin-

## An Agent Writes:

"I used your new Insurance Analysis to survey the ..... Jewelry Co., a retail store in ....., Texas, and it brought me \$540.00 additional premiums."

Another writes: "The first use of your Insurance Analysis sold two lines immediately: I have a *promise* of three additional lines; and there is a *strong likelihood* of obtaining a sixth."

—And so it goes. Not a single failure! There must be something about our new-style Insurance Analysis beside the fact it is attractive, and offered gratis to our Agents—present and prospective. Would *you* like to see one?

THE AMERICAN GROUP, NEWARK, N. J.

Fire Companies

THE AMERICAN

THE COLUMBIA FIRE

DIXIE FIRE

ion, stating that it more or less dominates legislation. Public opinion does not respect tradition, precedent and the like when it is aroused by the failure of any business to function in a proper way.

Mr. Coffin expressed the belief that a considerable part of the adverse legislation in Indiana has been brought about by those who are in the business not understanding it entirely, not devoting their entire time and effort to it and who are more or less incompetent. Therefore, he said that one of the tests the field man should make before appointing an agent would be to answer the question, "Is this man going to help our profession?" When field men are trying earnestly to appoint only qualified agents and are having difficulty in doing this in any territory, then the local agents through their organizations should see to it that companies are properly taken care of through legitimate channels.

#### Must Build for Strength

In order to do this, Mr. Coffin said, it is necessary to build the state association by engaging in practical educational work. District meetings have been held throughout the state with the idea of giving agents a better view of their business and making them better qualified. The state association promotes the work of public relations and it has done much in furthering the Business Development program. At the beginning of the fiscal year there were 301 members. Now there are close to 600. Mr. Coffin spoke of adverse legislation confronting the casualty business, especially workmen's compensation through a proposed state fund. This may be more far reaching he said than affecting casualty interests, inasmuch as there is some thought being given to a proposed bill creating a state fund for writing all public buildings, including school houses.

G. L. Heinz, Springfield F. & M., president Indiana Fire Underwriters Association, in his annual address, said that the members more and more recognize the value of organization and co-operation. Quarterly instead of monthly meetings are now being held. The work in connection with the Business Development program has been carried out actively. A test campaign is planned for next fall for one of the northern towns to show results obtained by Business Development work.

#### Balance Rule Discussions

The executive committee, he said, met in session 28 times since July 19, 1937, devoting practically all of its time to balance rule work. The number of agencies in Indiana in which Western Underwriters Association companies are represented is 4,062. There are 157 agencies coming under the balance rule. President Heinz said that a few parts of the rule need to be revised so that the number of agencies under committee control can be kept to at least 25 percent of the total now in committees. Illinois has 16 agencies in committee, Ohio 35, Kansas 25, but no state had one-third of the number found in Indiana. President Heinz said that the lower number in other states is due to a different procedure in applying certain features of the rule. He stated that in reviewing the records of the last year he found that more than 50 percent of the agencies that were required to be placed in committee under the present rule had only two companies with delinquent accounts. He thinks that this should be amended in accordance with the rules of other states which do not require any compulsory action under such circumstances. He recommended that a committee of not less than six be appointed to study the proposed change of the balance rule procedure. There are now 124 members of the field club in good standing.

#### White to Globe & Rutgers

David G. White has been appointed special agent in New York State for the Globe & Rutgers, with headquarters in Syracuse. He has traveled the same

field, except for the suburban territory, for the General Schuyler for the past 11 years. He entered the business shortly after graduation from the Syracuse University.

#### Louisiana Blue Goose Elects

At the annual splash of the Louisiana Blue Goose in New Orleans, R. M. Wyllie was named most loyal gander to succeed C. C. Dupree; Jules Simineaux, supervisor; M. J. Hartson, custodian; W. J. Gayle, guardian; L. Vauthier, keeper, and H. A. Steckler, wielder. Mr. Dupree was named delegate to the grand nest, with Mr. Gayle as alternate. Seven candidates were initiated.

#### Plans for Ohio Field Outing

At the summer meeting of the Ohio Fire Underwriters Association July 12-14 at Cedar Point, registration will open Tuesday afternoon and in the evening there will be a fish fry. Wednesday morning Sidney B. James of the Underwriters Laboratories, Chicago, will speak on "The Fire Hazards of Air Conditioning Equipment." While this meeting is on, the women will play bridge. In the afternoon there will be a boat ride to Put-In Bay and Perry's Monument. The annual will be held that evening, followed by dancing. On Thursday there will be water baseball between two teams, southern Ohio and northern Ohio. There also will be golf, swimming and other amusements.

#### New England Blue Goose Elects

BOSTON—The New England Blue Goose at its annual meeting here elected these officers: Most loyal gander, Joseph A. Atwood, W. A. Muller & Co.; supervisor, C. A. P. Johnson, Travelers Fire; guardian, H. T. Hugard, Firemen's group; custodian, W. A. Sturgis, North British & Mercantile; wielder, J. F. Driscoll, Atlas; keeper, F. E. Walls, London Assurance; delegate to the grand nest, Frank E. Walls, and alternate, J. F. Driscoll.

#### Start Cincinnati 1939 Publicity

Officers of the Ohio Blue Goose and members of the executive committee will meet in Columbus July 11 to outline a program of publicity to be carried out at the grand nest meeting in Los Angeles Aug. 23-25 to induce a large attendance at the meeting of the grand nest to be held in Cincinnati in 1939. Efforts are to be made to make all Blue Goose members Cincinnati-minded for 1939. A. C. Guy, manager Western Adjustment, Columbus, former most loyal gander of the Ohio pond, will be general chairman for the Cincinnati gathering.

#### Hunter with Northern, N. Y.

Walter R. Hunter of Minneapolis has been appointed special agent of the Northern of New York. His address is P. O. Box 785.

He has been state agent in Wisconsin for the Security of New Haven for some time, which post he will relinquish to assume the new connection.

#### Joins Globe & Rutgers

The Globe & Rutgers Fire has appointed John Arends as special agent for Michigan. His territory will also include part of northern Indiana. Mr. Arends is a graduate of the Armour Institute of Technology, after which he spent three years with the Michigan Inspection Bureau. He has traveled the Michigan field for several years and is well known to many agents. His headquarters will be in Kalamazoo, Mich., 114 West South street.

#### Anthracite Field Club Outing

Sixty members and guests attended the annual outing of the Anthracite Field Club of Pennsylvania near Dallas, Pa. There were a number of outdoor sports. H. L. Ohlman of the Central Union and Fulton won the Thompson Derr golf cup, shooting an 81, which minus his 12

(CONTINUED ON PAGE 38)

### Soon to Take Seat with the North America



CHARLES F. RUPPRECHT

PHILADELPHIA—C. F. Rupprecht, who resigned as assistant United States manager of the Commercial Union to go with the North America, will arrive at the home office here shortly after July 4. His duties have not been definitely determined. So far he has not been given an official title but will be one of the executive family.

Mr. Rupprecht has had an interesting career in insurance. He entered the business on Dec. 19, 1910, with the Hartford Fire in the western department at Chicago, becoming assistant examiner. In 1916 he went with the Illinois Inspection Bureau at Springfield, Ill., and later was transferred to Chicago. Following that he joined the engineering department of Marsh & McLennan in Chicago traveling over 18 states. Then he became assistant supervising general agent of the Tokio at Chicago, traveling in 22 states. He went with the Commercial Union on March 15, 1920, as Illinois state agent, then left to enter the local agency business at Danville, Ill. However, in December, 1923, he returned to the Commercial Union, becoming Wisconsin state agent. He was transferred to the Pacific department in January, 1928, as assistant manager. He went to the head office in New York in January, 1931, as assistant U. S. manager, supervising the fire and allied lines in the east and the inland marine activities for the entire country.

### Mutual Church & Home Is to Go on National Basis

MILWAUKEE—Plans are under way to develop the Mutual Church & Home, which previously operated principally in Wisconsin and covered churches only, into a nationally operating company. H. P. Magill, president and treasurer, who founded the Mutual Church & Home in 1891, is now in Milwaukee completing arrangements. A. W. Leonard, Jr., becomes vice-president and manager. He is a son of Bishop Leonard of Pittsburgh and previously had been a broker handling church business in Los Angeles. The Mutual Church & Home will operate on an agency basis and also will solicit business direct by mail. In addition to covering churches, it will write affiliated church property, such as schools, hospitals, colleges and parsonages.

Mr. Magill, who lives in Danville, Ky., had been treasurer and a director of the National Mutual Church of Chicago, writing Methodist church property on a similar basis. He is resigning from this connection and also from the Magill Agency, Inc., Chicago, which represents a number of mutual companies. W. J. Weiland and L. L. An-

dres, associated with Mr. Magill in this agency, will continue to operate the agency.

### Bennett on a Long Trek

NEW YORK—Back from attendance at the annual convention of the National Association of Insurance Commissioners in Quebec, W. H. Bennett, general counsel National Association of Insurance Agents, will within the next six weeks start for the Pacific Coast. As now arranged his itinerary calls for attendance at the meeting of the Idaho association, Sun Valley, Aug. 15-16; the Oregon association gathering at Portland, 18-20; the meeting of the Canadian Insurance Superintendents Association, Vancouver, thence to Victoria to attend the session of the Agents Association of British Columbia, 22-23. Recrossing the border he will be on hand for the gathering of the Washington association, at Spokane, 25-26.

### Twenty-five Year Men Muster

HARTFORD—Twenty-four men whose years of service to the National Fire of Hartford total 729 years gathered at Bolton Lake, Conn., for the annual outing of the twenty-five year associates of the company. This group, organized three years ago by John C. Conklin, is composed of 44 men, six of whom have retired, whose years of service total 1,407.

### New Missouri Deputy

Superintendent Robertson of Missouri appointed F. P. Sizer, Jr., of Monett, Mo., deputy superintendent. He has been in charge of securities and valuation matters. He joined the department several years ago. As deputy he succeeds J. F. Allebach, who was dropped from the department several weeks ago and is now an assistant on the staff of Attorney-general McKittrick.

### Herbert Adams' 25 Years

HARTFORD—H. E. Adams, assistant manager of the Factory Insurance Association, was the guest of honor at a dinner at which he received a wrist watch, suitably inscribed, and the congratulations and good wishes of his associates. The party was in celebration of his completion of a quarter-century of service with the association.

Born in Provincetown, Mass., in 1889, Mr. Adams was educated in its public schools, after which he attended Brown University for one year and Worcester Polytechnic Institute for four years, graduating from the latter in 1913 with the degree of bachelor of science, electrical engineering.

He was employed by the Factory Insurance Association on July 1, 1913 as an inspector and in 1917 was transferred to the home office as a supervisor in the inspection department. He was subsequently appointed superintendent of that department in 1924; he was in addition made general adjuster in 1931 and on June 22, 1934, he became assistant manager.

### Arrange for Field Work

LANSING, MICH.—Discussion of the sustaining fund which finances the new field secretary's office marked a meeting of the governing committee of the Michigan Association of Insurance Agents. Plans were made for raising the necessary sum and, particularly because of the demonstrated value of the work done since W. O. Hildebrand was named as field secretary last fall, it is believed that the task of the committee will prove a reasonably easy one despite the times.

Mr. Hildebrand has been somewhat delayed in his plan to move his office to Lansing from Muskegon but now expects to open his office here some time next week.

The Beaumont, Tex., Insurance Exchange has elected as directors T. V. Smelker, Charles Little, Mrs. F. A. Morris, I. D. Robertson and A. J. Collier.



### Third Exchange Movement Is Not Given Much Credence

SAN FRANCISCO—Leaders in the Society of Insurance Brokers and Insurance Brokers Exchange of this city, whose memberships write practically 99 percent of fire and casualty business in the city, have little hope in efforts of a small group of so-called multiple line brokers to form a third "exchange." The leader of the "third party" movement recently resigned from the exchange after being defeated in an effort to get the membership to adopt certain ideas of his own and a slate of officers. This broker, openly antagonistic to the exchange, has not applied for membership in the Society of Insurance Brokers and officials of both organizations stated they were of the opinion he planned to engage entirely in mutual business.

They question both the intent and the source of the story that was given wide publicity recently regarding the third exchange or association. They said a few brokers frequently have threatened a new type of organization which would give them more freedom of action, such as placing business with any type of company, accepting excess commissions, cutting rates, etc., but the majority of legitimate brokers want none of that.

The insurance business, they said, is more stable than for many years, however some brokers, apparently with connections not considered entirely legitimate, continue to attempt to disturb the organizations and keep the business in a turmoil.

### Field Man's Narrow Escape

WATERTOWN, S. D.—L. G. Spies, state agent of the North America group, narrowly escaped serious injury when his car fell over a 20-foot embankment. Going over the top of a hill near Sisseton, S. D., he came upon a farmer with his team and a hayrake. There was only about 150 feet to stop. Mr. Spies turned out trying to pass the farmer but on doing so he struck loose gravel, which swung his car into the guard rail, overturning it twice and it rolled down the embankment. Mr. Spies crawled out fortunately with only a few bruises and a bump on his head. His car was almost a total wreck.

### New York Field Meeting

SYRACUSE, N. Y.—The "Old Association" of New York State will hold a joint outing with the Empire State Blue Goose next Wednesday afternoon and evening, at the Syracuse Yacht & Country Club on the shores of Oneida Lake.

The outing will follow the summer meeting of the Underwriters' Association of New York State which will be held next Wednesday morning. W. T. Bessant is chairman of the "Old Association" committee, assisted by R. E. Wands and S. W. Ross.

### Dunn Philadelphia Marine Manager; Assistants Named

PHILADELPHIA—John J. Dunn has been appointed manager of the Atlantic marine department at Philadelphia of the Automobile and Standard Fire of Hartford, succeeding W. J. Horner, resigned. C. T. Merwin becomes assistant and W. M. Olsen is named special agent.

Mr. Dunn joined the Aetna Life and affiliated companies in 1912. He entered the marine division in 1924, three years thereafter becoming special agent, then assistant manager of the branch in 1931. Mr. Merwin has been connected with the Automobile's marine department since 1925, and is well versed in inland and ocean marine lines. After serving as underwriter at the head office, he became special agent in New York State, later underwriter in the southern marine department at Atlanta, and then state agent in the Boston branch in 1936.

Mr. Olsen's connection with the Aetna Life and affiliated organization dates from 1925 when he entered its engineering and inspection department. Later as special agent he traveled widely throughout the country. The Atlantic marine department embraces Pennsylvania, southern New Jersey, Delaware, Maryland, Virginia, West Virginia, and District of Columbia.

### Pacific National's Western Department Is Opening

Many invitations to agency and company officials and leading brokers in Chicago were sent out for the opening Friday of the Pacific National Fire's new western department office in the Insurance Exchange, Chicago. Work on these most modern quarters was being rushed to completion. Completely new furniture and equipment was secured. The office will be one of the handsomest and most efficiently arranged in the country.

W. L. Wallace, vice-president in charge of the eastern department, was expected to attend the opening. Mr. Wallace will have supervision over the western department. C. W. Ade is

assistant western manager and also Cook county manager, having held that latter post since the Cook county branch was opened about a year ago.

### J. M. Bryans to Retire Aug. 1; Estabrook His Successor

BOSTON—After 44 years' loyal, conscientious service for the Fire Association—21 years as state agent in eastern Massachusetts—James M. Bryans, Boston, will retire Aug. 1. His successor will be H. M. Estabrook, who as state agent will have jurisdiction over eastern Massachusetts and Rhode Island. A native of Massachusetts and graduate of Massachusetts Institute of Technology, Mr. Estabrook has been in the fire business since 1921, and assistant to Mr. Bryans since early in 1937.

### Will Reach Rural Agents

The National Board announces plans for the purpose of educating rural families regarding the public service aspects of stock fire insurance.

The media used will be national farm publications with circulation in all of the 48 states and particular concentration in the important middle west farm areas.

In support of the rural agents groups of the National Association of Insurance Agents, this campaign will provide a total of 21,800,000 actual advertisements delivered to rural families.

### Missouri Agents Protest

ST. LOUIS, MO.—The Missouri Association of Insurance Agents is filing a protest with the Missouri department that certain banks that have been making FHA loans in sections of southeast Missouri have been placing fire insurance in companies that are not licensed to do business in this state. The protest, which originally came from an agent at Sikeston, Mo., said that in most instances the borrowers have had no knowledge their insurance was with non-admitted carriers, but in a few cases the insurance was so placed over the protest of the home owners.

It is also planned to call the situation to the attention of ranking FHA officials in Washington. The contention is made that the insurance should be placed with a local agent and in companies licensed to do business in Missouri.

### Herbert Jamison a Suicide

PEORIA, ILL.—Funeral rites for Herbert B. Jamison, 62, Peoria general insurance man for 40 years, including partnership in Roswell Bills & Co. from 1912 to 1932, were held here June 24. Mr. Jamison died June 22, when he drowned himself by leaping from Franklin street bridge in Peoria into the Illinois river. Suicidal intent was surmised by the jury after it heard Mr. Jamison had entered a loan shop just 30 minutes before the bridge jump and tried to shoot himself with a gun from a display counter. Mr. Jamison was depressed by financial reverses. After graduation from Peoria high school, he attended Princeton University, class of 1897. In 1896 at Athens, Greece, he won the laurel wreath in first of modern Olympic games, winning 440-yard dash.

Insurance Commissioner John J. Holmes of Montana was in Chicago this week enroute to his home at Helena, having spent considerable time in the east following the meeting of the National Association of Insurance Commissioners at Quebec. He was accompanied by his daughter, Peggy. He was formerly general agent of the Minnesota Mutual Life at Great Falls, Mont. Hence one of his missions in Chicago was to go to Hines Hospital and visit John Boyle, Chicago general agent of that company who has been confined there since the first of the year. He contracted a bad case of flu and it has developed into pleurisy. Mrs. Boyle is running the agency during his absence in magnificent shape.



# NATIONAL UNION

FIRE INSURANCE COMPANY

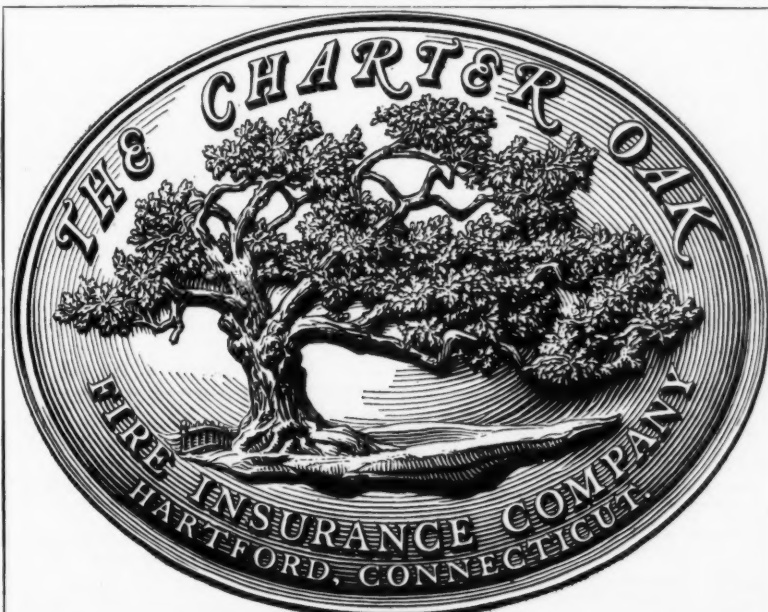
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A FRIENDLY



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A GOOD AGENCY COMPANY



ONE OF THE TRAVELERS COMPANIES  
HARTFORD, CONNECTICUT



## EDITORIAL COMMENT

### Injecting Sentiment Into the Ways of Life

A SUBSCRIBER TO THE NATIONAL UNDERWRITER, a former field man of distinction in his state and now occupying an executive position with his company, tells us that he carefully peruses this publication each week and in that connection is always able to find something about four or five people whom he knows to whom he writes letters. That is, he watches the paper for opportunities to bear an expression of good wishes, condolence or some sentiment to a friend or acquaintance.

He formed the habit of writing friendly letters in the field. He never missed an opportunity to give expression to his emotions. This was not done in a perfunctory or artificial manner. He wrote just as he felt. He has a very deep and sincere in-

terest in people whom he knows. He does not hesitate to take time to give encouragement, to extend felicitations, to make suggestions or to offer sympathy. If he can give a bit of advice that he feels is worthy and constructive he does so. He wants to help people along the way. He stops every now and then along the journey to lend a hand.

This evidence of a big heart means much in business life. A man of this kind injects noble sentiment and humanity into his work. He keeps others in mind. He finds great satisfaction in doing and saying splendid things. He is seeking the good in life. And the way is less onerous and the day is fresher because of these ministrations.

### Prominence of Rural Agents Position

ONE of the important developments in the organized agency movement is the prominence that is being given not only at the NATIONAL ASSOCIATION OF INSURANCE AGENTS meetings but at conventions of state associations to the rural agents. Up to a year and a half or so ago this important element in insurance development work received little attention.

Now with the enthusiasm, intelligence and understanding of R. W. FORSHAY of Anita, Ia., as chairman of the rural agents committee, there has been stirred up over the country keen concern in the welfare

of men who are soliciting insurance on the farms and in the smaller places. They have problems peculiar to themselves. They are not confronted with branch offices, non-resident brokers or many of the issues discussed at meetings. There are some features, of course, in common. However, they have their own troubles and they desire to have help. Fortunately, the NATIONAL ASSOCIATION OF INSURANCE AGENTS has awakened to the desirability and necessity of studying the rural agent's condition and offering him not only comfort but constructive assistance.

### Insurance Men in Practical Politics

AN INSURANCE man who has had much experience in political and legislative work made the remark that many more should become affiliated with their party organizations or at least get acquainted with their legislators if they expect to have any influence. His candid advice is to get acquainted with the men before they are elected or while they are entering the primary race. It is much easier, he said, to make close contacts

then. After a man is elected he begins to have a thousand different demands on him, his time is well occupied and he is not in a mood to listen. If an acquaintance has been made previous to election, then it is not difficult to talk to the legislator after he is in office. A contact beforehand means much. It is very essential at least to get in touch with members of the state senate and house and one's congressman.

### Fine Training School of Old Days

IN DAYS gone by many concerns employed men stenographers. Some used girls for the ordinary run of work and men for private secretarial duties. Some had young men in stenographic positions all through the office. This was found in insurance offices to be a most excellent training school for young men who were ambitious to advance. Taking dictation from men higher up and having the opportunity to observe what was going on, being in close contact

with key people, they learned much about the business.

After a young man had become quite well seasoned and the management felt sure that he could follow a more important course, he was promoted. Many of these young men occupied later responsible positions and gave a good account of themselves.

As the years went by the employment of men stenographers was discontinued so far as insurance offices were con-

cerned unless it might be executives in high positions who desired a male secretary. Today for the most part young men fight shy of stenographic jobs and in fact it is very difficult to secure young men who are stenographers. This is due to the fact that they would be re-

garded as effeminate. These positions are filled by young women. Undoubtedly economy was the motive back of the employment of women. At the same time insurance offices undoubtedly have lost the opportunity of training young men in a very efficient school.

## PERSONAL SIDE OF BUSINESS

Commissioner **Owen B. Hunt** of Pennsylvania was awarded a master of arts degree at the commencement of the Byron W. King School of Oratory in Pittsburgh. The degree was only the third of its kind to be granted to anyone other than a graduate of the school in its 50 years.

**A. F. Pillet**, president Republic of Dallas, in company with his son John, a student at the University of Texas, sailed from New York June 29 for a visit to several European countries and will return late in August.

**Roland H. Gwyn**, branch secretary at the U. S. head office of Century of Scotland, is in England for about six weeks. While there he will go through the ceremonies of becoming a counsellor. He completed his law studies in England before coming to this country last year.

**George E. Allen**, former commissioner of the District of Columbia and now vice-president and public relations counsellor of the Home of New York, was on the committee that presented President Roosevelt a check for \$1,010,000, representing the proceeds from the series of events Jan. 30, for the benefit of the National Foundation for Infantile Paralysis. The check was delivered to Mr. Roosevelt at his Hyde Park, N. Y., residence, to reach which Mr. Allen and several committee associates had to thumb a ride part of the way, after their car blew a tire.

**Robert Thomas**, vice-president London & Lancashire Fire at Hartford, was one of the speakers recently at the Trinity College, Hartford, School of Experience. He graduated from Trinity 25 years ago. Each year the class of 25 years previous furnishes three or four speakers for this special gathering. Mr. Thomas spoke of the service of insurance.

**O. R. Patchett** of the O. R. Patchett & Son insurance agency at Kankakee, Ill., entered Grant Hospital, Chicago, for an operation.

**George S. Van Schaick**, vice-president of the New York Life and former New York insurance superintendent, was given the honorary degree of doctor of laws by the University of Rochester. Mr. Van Schaick graduated at St. Lawrence University and the Yale Law School. He practiced law in Rochester, N. Y., before being appointed to state insurance superintendent.

**C. James Hayden** of Indianapolis, special agent of the Marine Office of America in Indiana and southwestern Ohio, was married at the Irving Park Presbyterian Church in Chicago Saturday to Miss Martha Louise Meyer of that city. Mr. Hayden is a son of Vice-president C. M. Hayden in charge of the Chicago

department office of the Glens Falls group. His father is also president of the Chicago Board. C. James is a graduate of Purdue and spent three years with the Marine Office of America in Chicago before going to Indianapolis.

**E. C. Shearer**, broker, 60, Monterey Park, Cal., died of a heart attack aboard the "Princess Charlotte" as it neared Juneau, Alaska from Skagway. Mr. Shearer had been prominent in local agency circles for a number of years.

**C. H. Nudd**, 65, well known Boston broker and agent, founder of the Insurance Society of Massachusetts, died at his home in Winthrop. He spent about 50 years in the insurance business in Boston, formerly with the Hartford Fire, but later with Rogers & Howes, of which he was president at his death. He organized the Insurance Society of Massachusetts in 1916 and was its first president.

**George Acton**, 50, former member of the Mullin-Acton general agency of San Francisco, died in Los Angeles. He had been in poor health for several years following dissolution of the general agency firm.

**T. K. Marlowe**, special agent of the National Union with headquarters in New Orleans, was married to Miss Annette Embry of Atlanta.

On his return to Montgomery, hundreds of friends and associates of **Frank N. Julian**, Alabama superintendent, gathered to congratulate him on his election as president of the National Association of Insurance Commissioners. Mr. Julian said he would announce the committees shortly.

**Wilfred Garretson**, executive supervisor in New Jersey for the Fire Companies Adjustment Bureau, won the championship cup in the metropolitan champions' golf tournament at the Raritan Valley Golf Club, with a score of 79. He is one of the veteran adjusters of the metropolitan area, having been connected with the bureau and its predecessor for over 30 years.

**B. M. Culver**, president America Fore, entertained more than 50 officers and department heads at his annual golf party held June 24 at the Glen Ridge, N. J., Country Club. The Ernest Sturm trophy, which must be won three times for permanent possession, was presented by President Culver to C. C. Lyon, who had low net. W. H. Emes, comptroller, as winner of the trophy last year, was presented a silver cup. In addition to the trophy, prizes were awarded to Mr. Emes for second low net; L. T. Brown, third and A. A. Nelson, fourth. F. D. Jones won the consolation prize.

At the dinner, served at the club house, President Culver introduced sev-

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eral of the executives, who gave brief talks. Vice-president F. A. Christensen, on behalf of all present, expressed the appreciation of the guests to Mr. Culver.

Having visited the east coast of South America last year, **W. E. Mallalieu**, general manager of the National Board, and Mrs. Mallalieu, will travel the west coast this summer. Sailing from New York July 2, they will pass through the Panama Canal, thence south along the Pacific as far as Valparaiso, Chile, expecting to reach home about Aug. 8.

**Harry S. Byrne**, well known insurance man of Omaha, has been elected regent of the University of Omaha. He is a graduate of the university being in the law class of 1905, and is a director of its alumni association.

**Wallace Rodgers**, assistant manager of the Western Underwriters Association, active in the Business Development program throughout the midwest, after taking part in a regional B. D. meeting at Denver this week and another at Colorado Springs, plans to go on vacation with his family for several weeks, probably taking in one of the western national parks.

**B. B. Gribble**, actuary of the Nebraska insurance department, has passed the bar examination and is now entitled to practice law in Nebraska. He has been connected with the department for 13 years and the last nine he has been actuary.

At the annual meeting of the Mercator Clubs of America at Wawasee, Ind., **Homer A. Harrison**, Cleveland, local agent, was elected second vice-president. **H. G. Woodbury**, secretary Reserve Loan Life of Indianapolis and vice-president of the Association of Indiana Legal Reserve Life Insurance Companies, was named treasurer.

**W. H. Moore**, Wichita adjuster and secretary of the National Association of Independent Adjusters, who has been confined to a Wichita hospital since his return from the Indianapolis convention, is reported much improved and it is thought that he will not require an operation at this time. He is able to have callers now and hopes to return to his office in another week or so.

**Mrs. H. H. Earle**, wife of the Oregon commissioner, and daughter Vivian, who accompanied the commissioner to the Quebec convention of the National Association of Insurance Agents, have returned to their home at Salem, going through Canada to Vancouver, B. C., staying a while at Lake Louise and visiting other points of interest en route home.

**A. C. McDavid** of the Perry & McDavid agency, San Antonio, Tex., has been appointed national historian of the Sons of the American Revolution.

**Clyde B. Smith** of Lansing, Mich., former president National Association of Insurance Agents, who entered the insurance business as a result of reading the old "Western Underwriter," now THE NATIONAL UNDERWRITER, while a railway mail clerk, is still interested in affairs of the postal brethren and is serving this year as program director for the annual reunion of former Michigan postoffice clerks and railway mail clerks. The affair is to be held at Michigan State college, East Lansing, July 9. A special guest will be former Governor Frank Fitzgerald, himself a former postal clerk.

**E. C. Mingenback**, secretary of the Farmers Alliance of McPherson, was reelected president of the Kansas Chamber of Commerce at the annual meeting in Wichita. He is also president of the Kansas Association of Mutual Insurance Companies.

**D. J. Munro**, Indiana special agent of the Hartford Fire, suffered painful

but not serious injuries when his car was forced from the road last week between Wabash and Peru, and was upset and badly damaged. Mr. Munro was badly bruised but returned to work before the end of the week.

**G. A. Hutchinson**, active in the agency field at Lansing, Mich., for 20 years, is being congratulated, along with Mrs. Hutchinson, by their insurance acquaintances on their golden wedding anniversary which occurred last week. Prior to entering the agency field, Mr. Hutchinson was insurance manager for the interest of the late J. H. Moores, a pioneer Lansing industrialist and financier, handling insurance on properties in Mississippi, Louisiana and Michigan.

**G. S. Jones**, general adjuster Fire Companies Adjustment Bureau, Albany, N. Y., died Friday morning at Murray Hill Hospital there. He had been in critical condition for some weeks. He had been on the staff of the bureau since 1919, having been previously with Marsh & McLennan. He served as adjuster in West Virginia points and was made later manager of the Charleston, W. Va., office in 1926. He was transferred to Boston two years later as a senior adjuster and then was made manager at Providence. He was transferred to Albany in 1934.

**George A. Yunker** of New York City, superintendent of the survey department of the Royal-L. & L. & G. group, is on a western trip. He started with the Royal 41 years ago in the old western department in Chicago as a clerk. Later he traveled in the field becoming Ohio state agent. He went to New York City as agency superintendent in the western department and served in that capacity until he assumed his present post.

**Oscar R. Witte** of Oscar R. Witte & Co., local agents in St. Louis, has returned to his office after undergoing an operation.

#### Janisch Seeks Service Men's Post

BOSTON—A meeting of directors of the Service Men's Protective Association was held here to discuss placing the organization on a national basis and to consider engagement of a general manager. **H. P. Janisch** was in attendance as a candidate for the position of manager. He was manager of the American Mutual Alliance 1922-28; vice-president and general manager of the Devonshire Financial Service Corporation, connected with the National Shawmut Bank in Boston; a director of the American Motorists and until Jan. 1 vice-president of the Lumbermen's Mutual Casualty of Chicago.

#### U. S. Chamber Appoints Committee on Insurance

WASHINGTON—O. J. Arnold, president Northwestern National Life, has been reappointed chairman of the insurance committee of the United States Chamber of Commerce. Other committee members are O. R. Beckwith, counsel Aetna Life group; S. Bruce Black, president Liberty Mutual; B. M. Culver, president America Fore group; L. J. Dougherty, former president Guaranty Life of Davenport; H. T. Freeman, president Manufacturers Mutual Fire of Providence; J. C. Harding, Chicago, vice-president Springfield Fire & Marine; L. A. Lincoln, president Metropolitan Life; C. F. Liscomb, Duluth, president National Association of Insurance Agents; M. W. McAllister, general counsel Kansas City Life; J. S. Myrick, manager Mutual Life of New York in New York City; J. H. R. Timanus, assistant secretary, Philadelphia Contributionship; and W. B. Winter, president Atlantic Mutual.

Mr. Harding and Mr. Timanus are the two directors for insurance who were elected at the annual meeting in May.

## New Commissioner



REX B. GOODCELL

Rex B. Goodcell, who will become insurance commissioner of California July 15, was born in San Bernardino in that state, Sept. 15, 1880. His parents were early pioneers of the state. He studied law with his father, Henry Goodcell, and was admitted to practice in October, 1901. He was admitted to practice in the U. S. Supreme Court in June, 1917. He was elected district attorney in San Bernardino county in 1910, and judge of the superior court in 1918. He resigned to accept the appointment of collector of internal revenue of the southern district of California, it being given him by President Harding. He resigned in 1926 in order to practice law in Los Angeles. He has given particular attention to corporation affairs and water litigation. He has been active in politics for many years and is quite a factor in civic and fraternal organizations. His son, Rex B. Goodcell, Jr., is Los Angeles deputy city attorney. He is with the department of water and power in the city.

## Conventions

June 29-30—Wisconsin Fire Underwriters Association, annual meeting, Elkhart Lake.

June 29-30—Indiana Fire Underwriters Association, annual meeting, Spink-Wawasee Hotel, Lake Wawasee, Ind.

July 6—Underwriters Association of New York State, mid-year meeting, Hotel Syracuse, Syracuse, N. Y.

July 6-8—New England Agents, Poland Springs Hotel, South Poland, Me.

July 13—West Virginia Fire Underwriters Assn., semi-annual meeting, Greenbrier Hotel, White Sulphur Springs, W. Va.

July 12-14—Ohio Association of Fire Underwriters, annual summer outing, Breakers, Cedar Point, Ohio.

July 21—North Dakota Insurance Federation, New Rockford.

Aug. 1-2—Federation of Insurance Counsel, Grand Hotel, Mackinac Island, Mich.

Aug. 6—Upper Peninsula of Michigan Agents, Menominee.

Aug. 15-16—Idaho Agents, Sun Valley.

Aug. 18-20—Oregon Local Agents, Benson Hotel, Portland.

Aug. 22-25—Association of Superintendents of Insurance of the Provinces of Canada, Empress Hotel, Victoria, B. C.

Aug. 23-25—Blue Goose Grand Nest Meeting, Biltmore Hotel, Los Angeles.

Aug. 25-26—Washington agents, Davenport Hotel, Spokane.

July 25-27—Insurance Law Section, American Bar Association, Statler Hotel, Cleveland.

Aug. 31-Sept. 3—International Association of Insurance Counsel, Grand Hotel, Mackinac Island.

Sept. 7-8—Iowa Agents, Warrior Hotel, Sioux City.

Sept. 9-10—Wyoming Agents, Casper.

Sept. 9-10—Colorado Agents, Congress Hotel, Pueblo.

Sept. 12-13—Insurance Advertising Conference, Oyster Harbor, Mass.

Sept. 12-14—Pennsylvania Agents, Galen Hall, Wernersville.

Sept. 15—Vermont Agents, Lake Morey Inn, Fairlee.

Sept. 16-17—Montana Agents, annual meeting, Anaconda.

Sept. 19-22—Casualty Organizations, Greenbrier Hotel, White Sulphur Springs, W. Va.

Sept. 21-23—National Association of Mutual Insurance Agents, Lord Baltimore Hotel, Baltimore.

Sept. 26-29—Annual Meeting National Association of Insurance Agents, St. Paul and Lowry Hotels, St. Paul.

Oct. 2-8—National Association of Mutual Insurance Companies, Syracuse Hotel, Syracuse, N. Y.

Oct. 5-7—Kansas Agents, Lassen Hotel, Wichita.

Oct. 13—Ontario Fire & Casualty Insurance Agents Association, Royal York Hotel, Toronto, Canada.

Oct. 13-14—Tennessee Agents, Peabody Hotel, Memphis.

Oct. 17-18—Missouri Agents, Statler Hotel, St. Louis.

Oct. 24-26—California agents, Hotel Californian, Fresno.

Oct. 27-28—Wisconsin Association of Mutual Insurance Companies, Hotel Schroeder, Milwaukee.

Nov. 16-17—Illinois Agents, Pere Marquette Hotel, Peoria.

The North America has declared a semi-annual dividend of \$1 per share, payable July 15 to holders of record June 30.



We are not  
music critics

but:—

in the insurance business you would probably say "let's go." As a company we might say "Let's go, together, down the trail of friendly relationships."

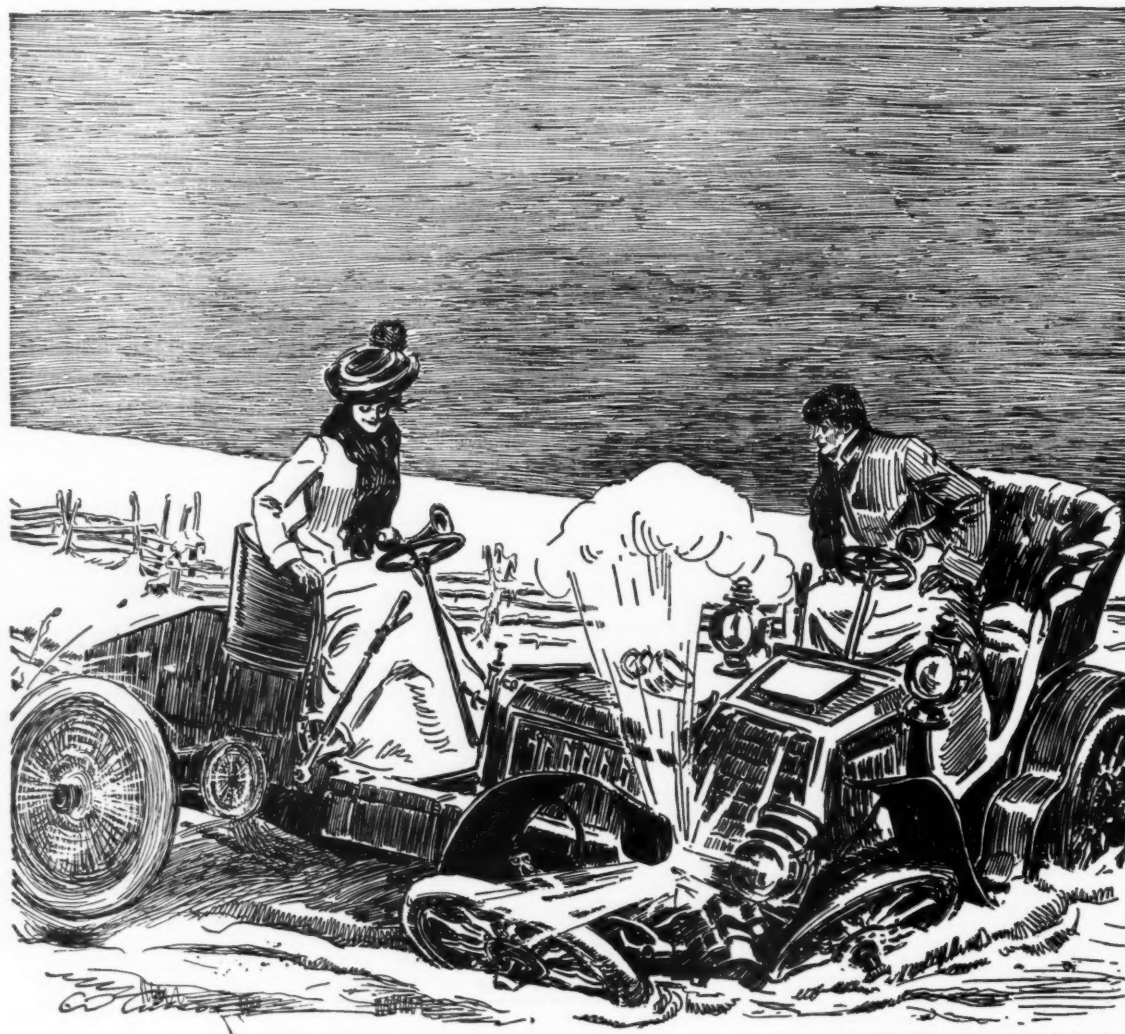
"Your Friendly Company"

**SECURITY  
FIRE INSURANCE CO.**

DAVENPORT, IOWA

PROTECTION SINCE 1883





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**ALL BROKEN UP**  
ANOTHER COLLISION WITH SERIOUS RESULTS

**B**ACK in the "get-a-horse" days, many a "den" was decorated with this sprightly Charles Dana Gibson drawing.

The picture is interesting because of its quaintness. The costumes are quaint. The old cars are quaint. But the idea that automobile accidents were once considered amusing is even quainter.

Today, with the hazard of more than 30 million fast-moving cars on the road, an accident is no amusing matter. It is far more apt to lead to court action than courtship. If a verdict goes against you, it can mean a staggering financial disaster. Savings have been wiped out by such verdicts, future earnings mortgaged. This ever-present

risk, and the mental disturbance that accompanies it, make the carrying of sound and adequate automobile liability insurance a plain matter of common sense.

And it is also a matter of common sense to place your automobile insurance with a company equipped to give prompt service anywhere, anytime. The Travelers has thousands of representatives and hundreds of claim experts throughout the United States and Canada, to take care of your clients promptly, no matter when or where an accident happens.

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, Hartford, Connecticut.



**Historical Note**

This year marks the 40th anniversary of automobile insurance. In 1898, The Travelers wrote the first automobile policy ever issued. Since then the Travelers companies have paid out more than \$165,000,000 for automobile liability claims. In addition they have paid out, as the result of automobile accidents, many other millions to holders of personal accident, life, and other forms of insurance.

# The NATIONAL UNDERWRITER

June 30, 1938

## CASUALTY AND SURETY SECTION

Page Nineteen

### Revised Form of Bond May Augment Surety Business

#### Contract Will Appeal to Brokers Not Members of the Clearing House

NEW YORK.—Surety men are anticipating a considerable increase in business under the new form No. 19 revised of the brokers blanket bond, which is written for brokers who are not members of clearing houses and who clear through banks or other brokerage offices. The depressed state of the security markets last winter and spring has caused many houses to reduce their employees and expenses by giving up clearing house memberships and having purchases, sales and deliveries of securities handled by other houses, restricting their own activities principally to solicitation of business and contacts with customers. Many of these houses have been carrying brokers blanket bond No. 14 revised and their changed status had resulted in considerable loss of premiums through the surety companies. The new No. 19 revised, replacing the old form No. 19, will not make up for this loss by any means, but it will probably result in more of this business being written and will be at least a partial help to the companies.

#### Can Make Account Attractive

A point which the companies are using in pushing the sale of this form is that by carrying it the broker can make his account much more attractive to the clearing agent. No. 14 revised and other blanket bonds carried by clearing agents cover property held for clearing purposes, but a heavy loss might exhaust the clearing agent's insurance and leave him with protection inadequate to protect his own securities and those of his own customers. It is not known whether banks and brokerage houses which act as clearing agents require brokers who clear through them to carry this bond, but undoubtedly the companies are hoping that at least some clearing agents will do so.

#### Scope of the Revised Form

Form No. 19 revised does not give any more protection for property in the hands of the clearing agent than the old form No. 19 did. It covers loss of property of the assured while in the custody or control of the clearing agent, who is specifically named in the bond, caused by dishonesty of the clearing agent's employees, larceny, robbery, burglary, holdup, theft, destruction, misplacement and disappearance while on the premises of the clearing agent, including banks and places of safe deposit, and larceny, robbery, holdup or theft while in transit in the custody of a partner, employee or messenger of the clearing agent. The change in the bond form results in giving this same protection to property while on the premises

### Acquisition Cost Rules Extend to Three States

#### Has Been Tried Out in a Successful Way as to Philadelphia Territory

NEW YORK.—E. J. Schofield, national chairman of the acquisition cost conferences, advises that the reasonable regulation of production costs for casualty and for fidelity and surety bond lines, now in successful operation in the Philadelphia territory, has been extended to include all of Pennsylvania, New Jersey and Delaware. The plan calls for an early "cease and desist" date, after which companies and their branch managers, field representatives and supervising general agents will pledge to refrain from making any further commitments for excess commissions to agents in conflict with existing rules. Thereafter reduction must be made in whatever present arrangements violate the cost rules.

The program in question, Mr. Schofield states, has the support of the fraternity as a whole, which appreciates that the time has arrived when the business of insurance must put its house in order in the interest of the general public.

of the assured. Premises coverage applies only between 7 a. m. and 7 p. m., on the principle that a broker who is not a member of a clearing house will rarely have customers' securities on his premises and seldom if ever have them after business hours, since ordinarily such securities are sent to the clearing agent for handling.

Apparently, some sizeable brokerage houses are now operating on a non-clearing basis, since the new eligibility rules for form No. 19 revised remove the old maximum of 15 employees and the old maximum bond of \$25,000. If the assured does business with more than one clearing agent, a separate bond must be written for each.

### Who Pays Tax Bill Shown in Senatorial Debate

NEW ORLEANS — In explaining House bill 513, which raises salary of the secretary of the Louisiana casualty and surety rating commission from \$5,000 to \$7,500 annually and which passed 33 to 1, Senator Peltier said, "It wouldn't cost the taxpayer one cent."

"Then where does the money come from?" asked Senator H. W. Gilbert, Franklin parish.

"It comes from money paid to the commission," Senator Peltier replied.

"And where does the commission get the money?" Gilbert asked.

"From the insurance companies," Peltier said.

"And who pays the insurance companies?" Gilbert asked again.

"You and I," Peltier said.

"That's right," Gilbert said, "you and I."

Varnum Paul, San Francisco attorney representing the American Bar Association, spoke to the *San Francisco Blue Goose*.

### Franklin Mutual Will Be Put in Receivership

#### Chicago Company Was Unable to Collect on Assessment It Levied

The Illinois department seemingly won in forcing the Franklin Mutual of Chicago into a receivership. This company was taken over for liquidation in November. The department went into the circuit court at Chicago and a petition filed by the attorney general's office asked the Franklin Mutual to show cause why a receiver should not be appointed. It was charged that the company had been given ample time to strengthen itself. It had attempted to collect enough assessments that were levied to put it in shape but the department declared that it had not been successful. F. J. Bartsch, special deputy in charge of rehabilitation, stated that it would be impossible for the company to get on its feet. The petition was returnable June 27. Later the date was set for June 30. The Franklin Mutual, however, on Saturday consented to a receivership decree.

#### Attempted to Rehabilitate

Under the new Illinois insurance code the department in taking over a company could attempt to rehabilitate rather than liquidate it. When the assessment was levied it was found that most of the policyholders refused to remit. The expense continued and there were many suits filed in connection with taxicabs and private automobile claims. When the department took charge the new business was reinsured but it has not developed to any great extent. The Franklin Mutual wrote private cars and had considerable taxicab insurance. When the company was placed in rehabilitation Charles C. Dawes, former president, and Mr. Bartsch were appointed special deputies.

#### Critical Situation Created

When Franklin Mutual was placed in rehabilitation a rather critical situation was created for its taxicab assured. The market for taxicab insurance was limited and unless some action were taken, a good many taxicab operators were faced with the loss of privilege of the streets, because of failure to have insurance as required by the law. The Illinois department induced London Lloyds to re-insure 100 percent the renewals of taxicab business in Franklin Mutual. That is, Franklin Mutual policies were issued to the cab owners by the rehabilitator but the liability was taken 100 percent by London Lloyds. As a practical matter, the rehabilitator segregated these premiums, retained 85 percent of them to pay claims and turned 15 percent over to London Lloyds each month.

Later, rates for taxicab insurance were increased in Illinois and a few other companies decided to take some of this business. The necessity for Franklin Mutual facilities no longer existed and the business drifted away to other companies. The management of Franklin Mutual decided it was no use to try to hang on, so they tossed in the sponge and consented to the final step of receivership.

### Pacific Coast Is Protesting Over Automobile Rule

#### Wants the Fire Companies to Come Under Safe Driver Plan

NEW YORK.—Pacific Coast representatives of member companies of the National Automobile Underwriters Association have filed strong protest against the recent action of the body in withdrawing the safe driver reward plan as applied to the property damage feature of the covers written by the fire companies. The protest is being given careful consideration by the executives of the association, whose decision will probably be announced shortly.

When the National Bureau of Casualty & Surety Underwriters adopted the safe driver reward plan some months ago, appeal was made by it to the fire companies organization to apply the program to the latter's property damage feature, which was done. Not long after the casualty offices asked the National association to withdraw the feature, contending that considerable property damage business on the books of the casualty companies was being diverted to fire offices because of the latter did not reduce their commission on the coverage, while the public liability division was going to free lance casualty companies.

#### Strong Protest Not Received

The National association bulletined its members, stating the reward plan would be withdrawn unless objection were made by at least 20 percent of the companies. Failing to receive such percentage of protests, the reward feature was withdrawn. Whether it will be restored or not remains to be seen.

The differences encountered in this connection raise anew the old issue as to whether the fire organization should not withdraw from the property damage field altogether, as this line is one of third party liability for the handling of which casualty offices are peculiarly well equipped. There is little doubt that the fire offices would drop property damage cover like a hot potato, providing as an offset the casualty companies surrendered to them the collision feature of the automobile business.

#### Figures for 1937 Given

In 1937 the stock fire companies wrote approximately \$93,000,000 in collision premiums, and the stock casualty companies \$3,400,000. In the same period the casualty offices secured \$54,841,700 as net premiums for property damage measures, while the income of the fire offices from the same source was approximately \$1,000,000. Of the last mentioned figure, however, virtually one-third comes from the Pacific Coast. That causes agents in that section to offer vigorous opposition to a move they hold would prejudice their business. The west coast men contend that while the



commission allowed by the fire companies for the property damage feature is better than that granted by the casualty offices, the apparent difference is equalized to a considerable degree by the large number of casualty men enjoying compensation as general agents. These figures fully equal those allowed local fire agents.

### Automobile Rates Advance in the Irish Free State

Rates are being increased on automobile insurance in the Irish Free State, the results showing the same features as those in Great Britain, viz., an increase in number of claims and in their average cost owing to increased awards and additional liabilities. Premium rates for private cars are increased 15 percent July 1. Certain trucks are increased 20 percent. Brokers commissions have been reduced from 15 to 10 percent except for the limited road traffic third party cover for which the commission remains 7½ percent.

### National Bureau Accepts Standard Surety's Resignation

The resignation of Standard Surety & Casualty as a member of the National Bureau of Casualty and Surety Underwriters, which was tendered recently, has been accepted by the bureau's executive committee. The resignation becomes effective Aug. 1.

J. A. Kelsey, president Standard Surety & Casualty, in advising of its retirement from the National Bureau, states it will yet be in full accord with fundamental principles of the bureau, and proposes following practices of the latter as to rules and rates, except as to liability and property damage coverage on private automobiles. The Standard Surety is now under the same management as the Standard Insurance Company of New York, writing fire and allied lines. That company is not a member of the Eastern Underwriters Association nor of the Western Underwriters Association. The associated companies plan featuring a combination automobile policy. The Standard Surety now maintains branch offices in most of the important cities and proposes to cultivate profitable fields intensively.

### Conkling, Price & Webb Outing

The Conkling, Price & Webb agency of Chicago held its annual outing for brokers and office employees at the Big Run Golf Club. While women played croquet, ping pong, shuffleboard and progressive bridge, the men spent the afternoon at golf. Low net went to Robert Schaw of the bond department, which was won last year by Robert Webb, son of Lew H. Webb, executive head of the agency. Mr. Schaw gets his name engraved on the championship office loving cup, a trophy which becomes the permanent possession of the three times winner. Mr. Webb has won the tournament twice. A. G. Stanton of the bond department had low gross. Prizes were also awarded to the women. D. W. La Roque, underwriter with the London Guarantee & Accident, New York, and his wife were among the 100 present. The agency has represented the London Guarantee 45 years. All attended a dinner given at Peabody's White Fence Farm.

### Badger State Casualty Meeting

Agents of Badger State Casualty of Milwaukee for Columbia and Dodge counties were guests of Karl H. Gehring, district manager, at a dinner and rally in Beaver Dam, Wis. J. L. Schlatterer, home office counsel, and H. C. Ewert, secretary-treasurer, were the home office representatives at the meeting.

B. W. Coffman, Coffman Insurance Service, has been made a member of the Insurance Board of Cleveland.

### Policyholders Would Upset Merger of Iowa Mutuals

#### Absorption of Preferred Class Mutual by Iowa Mutual Liability Made Basis of Suit

CEDAR RAPIDS, IA.—A group of policyholders of the Preferred Class Mutual are seeking to upset the merger with its running mate, Iowa Mutual Liability, which became effective Dec. 31, 1936. In a bill filed in the district court of Linn county, they allege that the merger constituted a fraud on the policyholders of Preferred Class Mutual and was outside the authority of the directors. A motion for a temporary receiver was withdrawn last week after an answer was filed by the defendants, both companies and the directors.

It is expected that the suit will be tried some time this fall.

#### Fire Business Reinsured

Preferred Class Mutual and Iowa Mutual Liability had operated under the same management, R. J. Mills, secretary and general manager, being the active head of both companies, and the directors being the same. Preferred Class Mutual, in addition to automobile and plate glass, wrote fire insurance through the Mutual Fire Underwriters, an underwriters agency in which the participation of Preferred Class Mutual was 18 percent. The other participating companies were Millers Mutual of Alton, Ill., Millers Mutual of Harrisburg, Pa., Grain Dealers Mutual of Indianapolis, Western Millers Mutual of Kansas City and Millers Mutual of Fort Worth. Mutual Fire Underwriters had about 300 agents and its stock was owned by the participating companies.

Early in 1937, the fire business of Preferred Class Mutual was reinsured in the other participating companies and in the same transaction its interest in the stock and business of Mutual Fire Underwriters was transferred to those companies. Iowa Mutual Liability reinsured the other business of Preferred Class Mutual and took over all its assets. All the transfers were as of Dec. 31, 1936, and were approved by Commissioner Murphy of Iowa.

#### Issued Non-Assessable Policies

At the time of the merger, Preferred Class Mutual had assets of \$354,000 and surplus of \$169,000. As a result, Iowa Mutual Liability's surplus increased to \$302,000, which permitted it to write non-assessable workmen's compensation business.

In their bill, the petitioning policyholders charge that they and the other policyholders were misinformed regarding the situation and the intent of the directors and that the directors had no authority to consummate this merger. They also allege that the policyholders of Preferred Class Mutual received no consideration for the assets which were transferred to Iowa Mutual Liability and that the assets belonged to the policyholders and should be returned to them. The purpose of the merger, they maintain, was the enrichment and advantage of Iowa Mutual Liability, with no compensation or advantage to the policyholders of Preferred Class Mutual. The bill asks for the ouster of the officers and directors and for the appointment of a receiver to separate the assets of Preferred Class Mutual and to administer the company until a new set of officers and directors can be elected and installed.

#### Answer of Directors

In their answer to the petition for a temporary receiver, the two companies and the directors denied the charges and maintained that the transactions were entirely legal and with the approval of the insurance department. They also declare that Iowa Mutual Liability has operated for a year and a half under the

## Hospitals, Doctors Clash on "Medical Service"

The long-standing controversy between the American Medical Association and the American Hospital Association over the providing of "medical service" by physicians employed by hospitals, particularly in connection with the group hospitalization plans promoted by a number of hospital associations, seems to have come to a head with the adoption of a resolution by the A.M.A. at its annual meeting for the withdrawal of approval of hospitals which give such service. The hospital association apparently intends to fight back, as indicated by a statement issued this week outlining its position.

#### Associations Handicapped

The controversy again calls attention to the serious handicap in the hospital association contract, as compared with regular accident and health policies, particularly those including the reimbursement feature, in that it makes no provision whatever for medical service. The associations do not want to undertake any responsibility for the payment of doctors' bills, but they do desire to provide for diagnostic and therapeutic procedure while a patient is in the hospital.

The issue has been raised, according to Robert E. Neff, president of the American Hospital Association, by certain roentgenologists, anaesthetists and pathologists, who demand the privilege of charging hospital care insurance patients a separate fee for services rendered on the same basis as other medical or surgical specialists.

#### Opposes "Multiple Fee System"

"Such a multiple fee system," he said, "would lower the quality of medical care, diminish hospital efficiency and increase the cost of service to the hospital patient." It is stated that more than 10,000 physicians are now employed by hospitals on a full time or part time

basis for the care of the sick or for laboratory services, particularly in the laboratory and x-ray departments. The statement of the hospital association declares:

1. The primary obligation of the hospital is to provide and organize all the services necessary for the diagnosis, treatment and rehabilitation of the patient.
2. Provision of medical services in hospitals is part of the responsibility of the hospital, is consistent with the rights, privileges and obligations of hospital staff physicians under their medical licensure. The performance of diagnostic and therapeutic procedure by staff members constitutes the practice of medicine in hospitals. It is not the practice of medicine by hospitals.
3. The employment of a physician by a hospital is consistent with law and with professional ethics and does not imply that the hospital is engaged in the practice of medicine.

#### No One Basis Applicable

4. The financial arrangement between a hospital and a physician is not a determining factor in the ethics or legality of medical practice in hospitals.

5. No one basis of remuneration of a physician is applicable or suitable in all instances, nor should any such arrangement permit the hospital or the physician to exploit the other or the patient.

6. The medical work of physicians is coordinated through existing hospital staff relationships, resulting in higher quality of medical care, greater efficiency in hospital service, and lower cost to the patient.

7. The responsibility for providing adequate and economical hospital care for the American people is not the responsibility of hospital trustees and administrators alone, but calls for the participation of hospital medical staffs and of the entire medical profession.

present arrangement, that policyholders have relied upon the increased assets and surplus in insuring with the company and that to upset the merger would work a grave injustice on them.

D. G. Bleakley, Cedar Rapids, is attorney for the objecting policyholders. G. P. Lindille, general counsel Iowa Mutual Liability, and C. J. Lynch represent the defendants.

#### Sees Plan in Over 40 States

CINCINNATI—Prediction that the safe driver reward plan before long will be in effect in 42 or 44 states was made by R. I. Catlin, vice-president Aetna Casualty, in addressing a meeting of Cincinnati agents. Mr. Catlin said in 1936 auto liability premiums in Ohio amounted to \$14,800,000, of which bureau companies wrote \$4,500,000, non-bureau \$6,100,000 and mutuals \$4,000,000. In 1930, bureau companies wrote 45 percent of the premiums in Ohio, non-bureau 40 percent and mutuals 15 percent.

He referred to the problem of the automobile guest claim. In 1918-20, he said, 5 cents of the premium dollar would take care of such claims but they now require from 18 to 20 cents. He said guests should rely on personal accident insurance.

Other speakers were Vice-president C. G. Hallowell and F. W. Potter, field supervisor.

#### Safe Driver Plan in Ohio

Superintendent Bowen of Ohio, following the opinion of the attorney general that the safe driver reward plan for automobile insurance did not violate the anti-rebate law, simply allowed the companies to write it without any formal

approval. The bureau companies are now using it in the state. Superintendent Bowen took the ground that after the attorney general had given his opinion that ended the matter.

### Merritt Lane Memorandum Regarded Able Document

NEWARK.—In the opinion of those competent to judge, the memorandum filed by Merritt Lane, of counsel for W. D. Ullrich, lay adjuster of Atlantic City, N. J., in the action brought by the Atlantic County Bar Association, et al., to have him barred from continuing his established claim investigation office on the plea that he is not a duly licensed attorney, is a classic of its kind. Mr. Lane, in association with Senator J. E. Toolan, who appeared on behalf of the New Jersey Association of Underwriters as amicus curiae, made an most exhaustive study of the laws and court decisions of the country that might have any bearing upon the case, the memorandum covering 92 pages. While the case on which favorable decision for the defendant was rendered by Vice-Chancellor Berry was predicated on the constitution and laws of New Jersey, many of the points brought forward, it is felt, would be applicable in other states, hence the satisfaction felt by company men at the thoroughness with which Mr. Lane and Senator Toolan dealt with the subject. Nor is the fraternity unkind of the service of the New Jersey Association of Underwriters in co-operating with counsel.

A. F. McKeigney succeeds to McKeigney & Latham at **Eupora, Miss.**, following the death of L. F. Latham.

## London Lloyds Case Is Now Before the Court

### Issue Is Being Argued This Week Over the Quo Warranto Proceedings at Springfield

SPRINGFIELD, ILL.—With indications the matter will be taken under advisement, arguments, launched Tuesday morning before Judge Hemphill, were in progress in Sangamon county circuit court here this week in the quo warranto case of 17 domestic casualty and surety companies against London Lloyds.

The litigation questions the right of Lloyds to operate in Illinois under a relicensing order issued Dec. 28 by the state department of insurance.

### Arguments for London Lloyds

Arguing for more than four hours Attorney L. F. Gillespie, Springfield, for the plaintiffs, sought to gain approval of his motion to dismiss part of the Lloyds answer. He was followed by David J. Kadyk, Chicago attorney for Lloyds, who asserted his clients should not be harassed by the whims of disgruntled policyholders who sought to give vent to their dissatisfaction by recourse to the quo warranto laws.

The Lloyds answer, filed previously, was in the spotlight almost constantly as the lawyers argued over the 13 defenses it lists. The answer maintained that Lloyds paid the necessary annual assessed taxes of \$63,472 prior to its relicensing, that the order was issued because Director Palmer was satisfied with Lloyds conditions, that the present proceeding was brought to remove competition in business, that rates of Lloyds were lower than those of the protesting companies, and that the companies are "joined in a wanton and malicious conspiracy to maintain their premium rates at an unreasonably high scale and to restrain competition."

Judge Hemphill granted the motion of Director Palmer to file a petition of amicus curiae, as a friend of the court, to enter the quo warranto case, which names between 1,800 and 1,900 British subjects as defendants.

The order issued in December, 1937, provides that re-licensing of Lloyds expires on June 30 of this year.

### Seek Joint A. & H. Convention

NEW YORK—The executive committee of the Accident & Health Club of New York has endorsed the suggestion for a joint convention, during the World's Fair celebration in New York City, of the National Accident & Health Association and the Accident & Health Club of New York. While the New York club is not officially a member unit of the National association several individual members belong and on their recent visit to the National association convention in Cleveland President L. W. Winslow extended an invitation to the National Association to come East in 1939 and enjoy the World's Fair celebration at the same time. While the plans are in an embryo stage it is very likely that the annual sales congress of the local organization will be held jointly with the National association's convention activities and culminate in a joint program for enjoyment of the World's Fair observance.

The next meeting of the New York club will be held at the Childs Golden Hill Restaurant, Sept. 22.

### Cincinnati Club Outing

An outing at the Maketewah Country Club will be given June 30 by the Cincinnati Accident & Health Association. Golf is scheduled for 2 o'clock and dinner at 7. Speakers will be Charles Davis, Mutual Benefit, Cleveland, and Paul Fisher, agency supervisor Hoosier Casualty, Indianapolis.

## Important Comment Made on Attorney-Adjuster Issue by Vice-Chancellor Berry

In dismissing the action brought in the New Jersey court of chancery by the Atlantic County Bar Association, charging that W. D. Ullrich, an independent adjuster, was illegally practicing law, Vice-Chancellor Berry made several comments which may be significant in the present lawyer-adjuster controversy.

After calling attention to the difficulty of defining the practice of law, Chancellor Berry remarked that legislative attempts to define it have been "dismal failures." Commenting on the Missouri case of last summer, which held that lay adjusters are practicing law, he declared that that case was not binding on his court and, if it could be construed as holding that the facts before him amount to practice of law, he was not in accord with it.

On the general subject of settling claims, Chancellor Berry stated: "If I had an employee who was injured in my employ, I know of no reason why he and I should not get together and settle that affair between us. On the other hand, if I happen to be a corporation, I don't know of any reason why any officer should not make a similar settlement with its employee. The corporation can act only through its officers and agents, and if it can act by an officer, I don't see why it cannot act by any agent, and I see no objection to an insurance company acting through an adjuster. It is a practice which certainly is not new and which is followed, not only by insurance companies, but by every corporation which is likely to be the subject of tort claims."

### Toledo Rejects Auto Inspection

TOLEDO, O.—The city council has defeated a proposed ordinance requiring semi-annual compulsory inspection of automobiles at a charge of 50 cents each time, at a municipally-operated inspection station. The measure was opposed by the Toledo Automobile Club and the Toledo Automotive Trades Association.

### Investigates Casualty Rates

JACKSON, MISS.—The legislative committee is making an investigation of casualty and surety rates. C. J. Haugh of New York, actuary of the National Bureau of Casualty & Surety Underwriters, testified as to experience in Mississippi. The committee evidently is in favor of a decrease in casualty and surety rates. Further reduction in fire rates may be recommended in line with the recent action of the Mississippi Rating Bureau in making a reduction of from 5 to 10 percent.

### Texas Cities' Record

San Antonio shows a loss ratio of passenger automobile accidents of 47 percent over a five-year period; Dallas,

## How Far Can Termite Sink Its Fangs?

NEW YORK—One of the troublesome questions referred to B. S. Fox, of the state industrial board of New York, was as to how hard a termite can bite. The question arose through a claim for compensation by J. S. Barron, who claimed to have been severely bitten in the course of his employment as a building superintendent, on behalf of the Ocean Accident & Guarantee which will have to pay the claim should the referee hold it liable. A bottle full of termites were produced and several poured into Mr. Fox's hand, to demonstrate the inability of the insects to bite viciously enough to penetrate the skin.

## Tells About the Origin of the Travelers Schools

John H. Eglof of Hartford, supervisor of agency field service of the Travelers, spoke at a luncheon given by Manager T. C. McLaughlin at Dayton, O., there being 55 agents from the territory present. He gave most of his attention to the safe driver reward plan which is now being used in Ohio. He discussed why it is being put into effect and presented something as to its details. He dwelt on its advantages and gave a number of sales ideas in connection with it. He was introduced by Mr. McLaughlin as head of the "Travelers University" at the home office where field men are trained in insurance.

### Major Giddings' Dayton Visit

Said Mr. Eglof: "Being referred to as the head of the Travelers University at our home office reminds me of the start of the Travelers University. Thirty-five years ago my boss, Maj. H. A. Giddings, vice-president, came to Dayton on a specific mission. Vice-president Lunger sent him to Dayton to buy the E. H. Coe Insurance Agency and establish a branch office. In the course of a discussion concerning the Travelers plan for establishing branch offices in Dayton and elsewhere, Mr. Coe asked, 'Where are you going to get all the trained insurance men to run these branch of-

fices?' The major replied, 'The Travelers will train these men and probably start an insurance school.' Mr. Coe replied, 'Why don't you go out to the National Cash Register Company's school here in Dayton, look it over, and perhaps it will suggest some helpful ideas?' Major Giddings called at the National Cash Register and was so impressed, that when he reported to Vice-president J. B. Lunger on his return to Hartford, he was told to establish this school."

### Denniston Put in Charge

"Thereupon Major Giddings made L. N. Denniston the instructor and placed upon him the responsibility of training young men in the knowledge and ethics of insurance. Mr. Denniston got on the train, came to Dayton, and took the National Cash Register's course of salesmanship. So Dayton occupies an important place in the history and growth of the Travelers. It is interesting to note, that the first three such schools organized in the country were: National Cash Register, Burroughs Adding Machine and the Travelers.

"The Travelers, therefore, owes a debt to Dayton, for much of the Travelers success is based upon training of agents and company field men in the Travelers University."

61 percent; Houston, 71, and Fort Worth, 77. The claim frequency in San Antonio was as great as in the other cities but the losses were less. San Antonio, according to the latest figures, had 8,830 insured passenger autos; Fort Worth, 6,168; Houston, 13,837, and Dallas, 15,332.

### Safety Handbook Is Revised

Publication of a revised and expanded edition of the "Handbook of Industrial Safety Standards" is announced by the National Conservation Bureau of the Association of Casualty & Surety Executives. It is a guide for safeguarding conditions in industrial plants. It is widely used by industrial managers responsible for accident control and by insurance company engineers. The new edition replaces that published in 1929. It contains 192 pages, has 32 chapters and more than 70 illustrations.

The handbook is being sold at \$0.39. Special discounts are available to member companies.

## Fidelity & Deposit Wins Old Kentucky Shortage Case

Sitting at Covington, Ky., the United States court of appeals dismissed appeal of T. R. Preston, president Hamilton National Bank, Chattanooga, and Mrs. Anne R. Nottingham, executrix, estate of C. C. Nottingham, late prominent banker of that city, from a lower court judgment of \$49,000 obtained by the Fidelity & Deposit. The litigation followed discovery of shortages in the Hamilton county court clerk's office nearly 15 years ago. The case has been pending in the courts since 1926. Preston said he would appeal to the U. S. Supreme Court.

The case was originally filed in federal court at Chattanooga following investigation and conviction of C. E. Watson and Will Whitice, former court clerks, on charges of embezzlement. Watson was succeeded in office by Whitice and the shortage was discovered during the latter's term of office. Investigation of Whitice revealed he advanced more than \$29,000 to his predecessor in office in order that Watson could settle claims lodged against him. The Fidelity & Deposit, which was on Whitice's bond brought suit against Watson's bondsmen to recover

this sum, Preston and Nottingham being two of the bondsmen.

The case was not heard for several years after it was filed and by the time a decision was entered interest had accumulated until it almost equaled the principal. The case was argued before the court of appeals about a month ago and the Fidelity & Deposit asked for dismissal on the ground Watson was not joined as a party to the appeal. The court sustained the contention.

### Inglis Returns to Office

NEW YORK—Ralph Inglis, manager New York service office Associated Indemnity, is returning to his office this week for a short time each day after having been away for some time recovering from an operation. During his absence H. B. Humphry, vice-president at the head office, has been looking after the New York office.

### Talks on Auto Liability

MILWAUKEE.—O. B. Sullivan, assistant chief adjuster Aetna Casualty, discussed "The Legal Aspect of Automobile Insurance" before the Cosmopolitan Club. Explaining the Wisconsin financial responsibility statute, Mr. Sullivan said a motorist is liable for all the damages resulting from his negligence. However, if two drivers figuring in an accident are held negligent and only one has assets, the law provides that the one with money must pay all the damages resulting to innocent third parties.

### Promulgate Rates on Dam

NEW YORK—The estimated cost of the dam to be constructed by the Central Nebraska Public Power & Irrigation District, bids for which will be opened July 5, is \$7,500,000. A performance bond of 100 percent is required. Rates issued by the Towner Rating Bureau for the work are: For the term, \$12 per M for the first \$2,500,000, \$11.50 per M for the next \$2,500,000, \$11 per M for the next \$2,500,000, and \$10 per M for all in excess of \$7,500,000.

### Uniform Doctors' Fees in N. M.

SANTA FE, N. M.—A resolution providing a uniform schedule of fees was adopted by the New Mexico Medical Society at its convention here. This was requested by casualty companies.



## ACCIDENT AND HEALTH

### Ohio Association Formed

**H. A. Cunningham of Cleveland Elected President at Organization Meeting in Columbus**

COLUMBUS—The Ohio Accident & Health Association was organized at a meeting held in Columbus under the auspices of the Columbus Accident & Health Association, of which C. A. Sholl, Globe Casualty, is president. The Cleveland and Cincinnati associations



H. A. CUNNINGTON

were represented by Charles L. Harris, New Amsterdam Casualty, and H. Robert Whiteside, Earls-Blain Agency, presidents of the respective organizations. This is the second state health and accident association, the other being in California. It will work with the National association.

Harry A. Cunningham, Aetna Life, Cleveland, was elected president. He is a former president of both the Cleveland and National Associations. Other officers are: C. A. Sholl, Columbus, first vice-president; H. R. W. Whiteside, Cincinnati, second vice-president; Homer J. Bisch, National Casualty, Toledo, third vice-president; Charles L. Harris, Cleveland, secretary; W. B. Cornett, Loyal Protective Life, Columbus, executive secretary. The executive committee is composed of K. O. Saunders, Maryland Casualty, Cleveland, chairman; George Kirkwood, Jr., Cincinnati; Frank L. Barnes, Columbus; C. H. Allenbaugh, Akron; Fred Evans, Youngstown; Charles F. Harroll, Dayton.

About 75 attended the meeting. Charles H. Davis, Chicago, manager eastern railroad department Pacific Mutual, spoke on, "It Can Be Done." Maj. N. A. Imrie of Columbus also spoke. Mr. Cornett was given the major credit for bringing about the organization of the state association.

### Expedites 'Olympian' Claim Work

Continental Casualty anticipated filing of claims under accident policies due to the "Olympian" crash in Montana which cost 50 or more lives, and thus was able to expedite service to sufferers in their time of need. The company went to work with the first news flash of the tragedy. Less than 20 hours after the accident checkers were at the files with initial, incomplete lists of victims. A claim agent had been dispatched immediately to Miles City, Mont., to be of first hand assistance to policyholders.

In the first published report of identified victims, of the 14 names, nine were covered under Continental's regular forms, with two exceptions, those carrying "703" policies, a new form on sale only since April 19. Both policyholders

were killed. One policy was dated June 1. Claim blanks were sent by air mail to all known policyholders or their beneficiaries, involved in the accident.

### Boston Claim Men's Outing

The Boston Life & Accident Claim Association's outing was held at Swampscott, Mass., with a large attendance. There was a short meeting early in the afternoon, the rest of the day being devoted to recreation. P. E. Tumblety, Columbian National Life, presided at the dinner and introduced H. B. Fowler, General Accident, and George B. Smith, Monarch Life, who served on the committee with Mr. Tumblety in arranging the outing. John W. Ayer, New England Mutual Life, president of the Boston association, also was introduced. It was voted to send a telegram of greeting to President Edward Millea of the International Claim Association.

### L. F. Murphy in Charge

L. F. Murphy, claim examiner in the accident and health department of the Columbian National Life at its head office, is taking charge of the group accident and health department. He still handles the claim work and has taken on the group work as an additional responsibility.

### Record Has Been Broken

Disability division or industrial accident and health applications received at the home office of the Continental Casualty in May established an all-time high mark for the month. A total of 7,585 applications was received. This was an increase of nearly 2,000 over the same month last year, and over 3,000 more than were received in May, 1929.

### Monarch Life Conferences

A conference attended by 15 general agents of the Monarch Life in the middle west was held in Chicago the latter part of last week for discussion of managerial problems and to make preliminary arrangements for a sales campaign which will culminate in the convention to be held at the home office in Springfield, Mass., Aug. 15-17, in connection with the dedication of the company's new home office building. Col. J. W. Blunt, vice-president; F. L. Merritt, manager of agencies, and Alan Crowell, agency secretary, were in attendance from the home office. A similar meeting for eastern general agents was held the first two days of this week at Ashfield, Mass., with about 20 in attendance.

### Taking Over Assessment Outfit

NEW YORK—The Workingmen's Cooperative Association of the United Insurance League of this city will be taken over for liquidation by the department. The concern wrote health and accident benefit business on the assessment plan.

### Plans Fourth of July Drive

DENVER—The Denver Accident & Health Association, Carl Eagle, president, is planning a safety drive for the Fourth of July three-day holiday. The drive will be concentrated on motorists and mountain visitors. Booklets and posters are to be used.

### Study Public Relations

PHILADELPHIA—The Accident & Health Club of Philadelphia plans to take the lead in combating unfair attacks on business and undue entrance of national and state governments into the accident and health business. A special committee composed of R. L. Walters, General Accident, and J. F. Leibig, Continental Casualty, has been appointed to study the subject and recommend a program. The question of proper form of publicity also will be considered. It is

hoped to put the program in effect in the early fall. Chairmen of other committees appointed by W. G. Payne, newly elected president, are: Entertainment, H. B. Yerkes; publicity, L. R. Snyder; educational, John Leibig; speaker, David Fitzgerald; membership, Edward Peaker; house, David Fitzgerald; Accident and Health Week, A. L. O. Rasch.

### Study Hospitalization Plans

HARTFORD—A number of group companies are experimenting to develop hospitalization plans which will adequately and inexpensively cover employees and their dependents. Progress has been slow, especially because of prohibitive laws in some states and uncertainty about those in many others. The plans are quite complicated and expensive, and it will take considerable time to find out just what combinations of coverage will prove most attractive to both employers and employees, according to Henry Beers, Aetna Life vice-president.

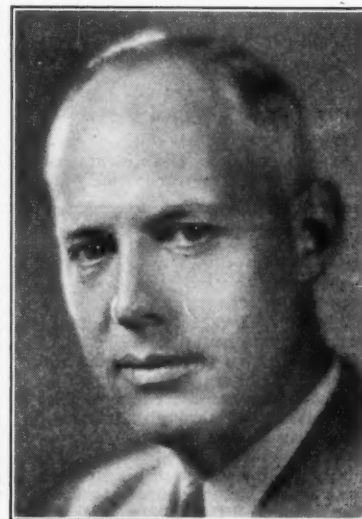
### Ohio Casualty Correction

The Ohio Casualty has called attention to an inaccurate statement in the June 16 issue. In answer to a question regarding policies covering automobile accidents to the assured as well as automobile liability, it was stated that the Ohio Casualty had discontinued the sale of accident insurance by endorsement to its auto liability policies. This discontinuance was only in Illinois, where it was specifically ruled out recently. In some other states this endorsement is also not permissible. However, wherever permitted, Ohio Casualty will use this endorsement. It carries a \$1,000 death benefit for automobile accident for a premium of \$1.

### President Scherr Honored

CINCINNATI—President J. W. Scherr of the Inter-Ocean Casualty, was honored in a May president's month campaign with the second largest month in its 35 year history. In the monthly and commercial department, F. W. Sarlee, North Carolina agency, led in premium volume and H. K. Reid, Alabama agency, was first in the total number of applications written. Leading districts in the industrial department were George Green, West Virginia, A. C. Feagan, Pittsburgh, and J. A. Eggers, Cincinnati. Other agencies leading in

### Chicago President



A. D. ANDERSON

A. D. Anderson, Continental Casualty, who was elected president of the Chicago Accident & Health Association at its annual meeting, has long been one of the most active members of that organization and a strong factor in its growth.

premium volume were H. L. Bice, Cleveland; L. H. McDaniel, Pittsburgh; A. G. Dorin, Richmond; J. D. Lipscomb, Jackson, Miss., and Harroll & Haendel, Dayton, O. Individual industrial department leaders were M. G. Lamfrom, Pittsburgh, increase, and A. G. Mullins, West Virginia, collections.

Sixteen monthly and commercial agents and 21 industrial agents qualified for the Black Cat Club on "Hoodoo Day." A number of agents who made outstanding records received special unannounced awards.

### Hear Highway Safety Talk

LOS ANGELES—The Los Angeles Accident & Health Managers Association at its June meeting heard Officer Don Houghton of the bureau of traffic safety, Los Angeles police department, discuss accidents and safety on the streets and highways.

## SURETY

### New York Construction Bond

**Commission Scale Is Announced by the Fidelity & Surety Acquisition Cost Conference for the State**

NEW YORK—On July 1, the new commission scale on construction bonds in this state, decided on by members of the Fidelity & Surety Acquisition Cost Conference, becomes effective.

On all Class B construction contracts of less than \$2,500,000 awarded by the state or departments thereof (excluding highway contracts), if both a performance and a separate labor and material bond is required, the maximum production cost shall not exceed 20 per cent and the percentages for acquisition and field supervision cost shall not exceed the following: Branch offices, general agents and city agents, 20 percent; district agents, 15 percent; borough agents (Bronx, Queens and Richmond), 15 percent; producers, 12½ percent.

The foregoing shall apply to similar Class B construction contracts (excluding highway contracts) awarded by any political subdivision of the state if both a performance and a separate labor and material bond is required.

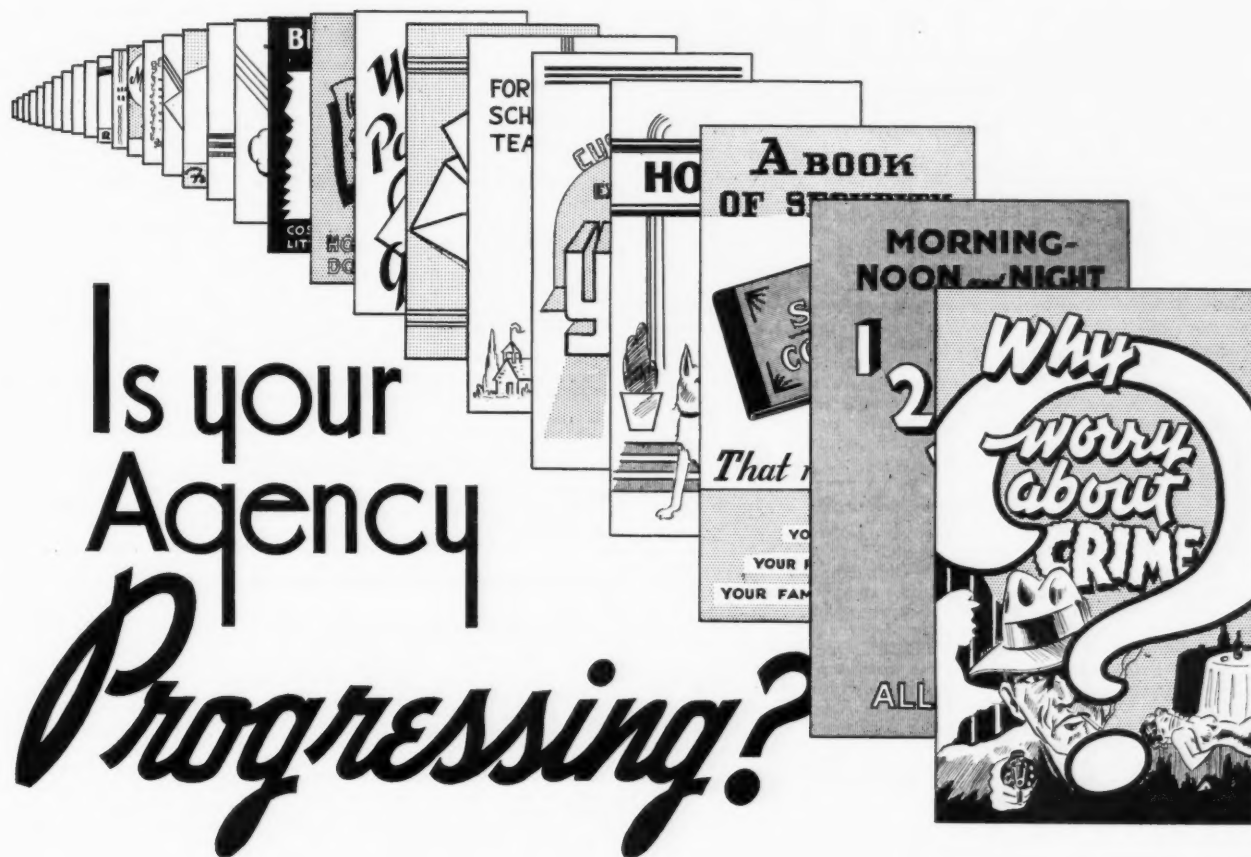
The last legislature enacted the Pitcher law providing that the state comptroller may at his discretion require every contractor on state work to give a bond guaranteeing labor and material bills. Heretofore contractors on public works in the state have been required to furnish security for performance only. The effect of a new measure will be to make it possible for surety companies to write contractors bonds which had not under past circumstances been available.

### Act Passed in New York Will Strengthen Credit

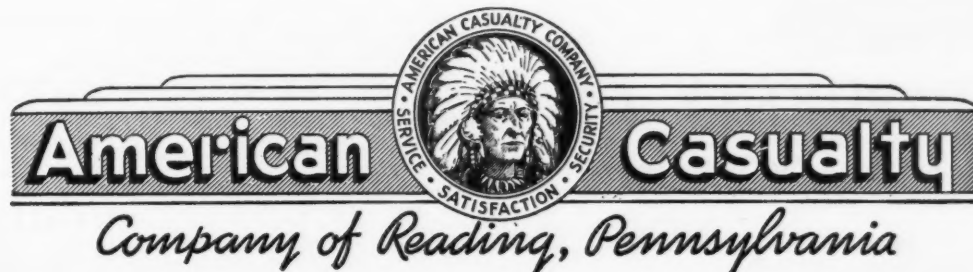
The New York Credit Men's Association takes much satisfaction in the passage of the Pitcher act in that state, which it sponsored. It permits the state comptroller to require payment bonds on all state contracts for protection of material men, suppliers and subcontractors. At a conservative estimate the operation of the law will reduce the present annual credit losses on state contracts of over \$1,500,000 to a very small figure according to Secretary W. W. Orr. By this enactment New York state falls in line with the federal government and many states in affording subcontractors and material men on public works protection of a bond.

### Approve Liquor Bond Cuts

The Virginia corporation commission has authorized the United States Guarantee to reduce rates on bonds written for retail and wholesale wine licensees of the state alcoholic beverage control board. A new law affecting wine distrib-



Every insurance agent must realize the value of securing new business, providing extra protection for old clients, and winning new friends; for herein lies the difference between progress and stagnation. No insurance man can afford to rest on his laurels—there are new and profitable fields opening up every day. The agent must continually be soliciting these new markets, bringing in new business, expanding the work of his agency, increasing the protection of old clients . . . in other words, moving forward, not standing still. ¶ With the American Casualty Company this idea is kept uppermost. Multiple line sales helps, the broadest contracts possible, the most up-to-date coverages, and the finest improvements in service are continually being brought forth for the benefit of every agent and his insureds. ¶ All these features are designed with one object in view—new and profitable business for every agency. A franchise with this modern Company is one of the finest builders of business that any agency can have.



PENNSYLVANIA'S OLDEST MULTIPLE LINE CASUALTY COMPANY



utors permits wholesalers to keep stocks on hand under bond and to sell them at intervals by affixing state stamps. The reduction conforms to that previously authorized by the Towner Rating Bureau.

### Laxity Is Seen in the Audits of State Officials

NEW YORK—Strong argument for the bill before the constitutional committee, proposing the comptroller's office be made responsible for the auditing of all accounts of the state and of its political subdivisions, is afforded through the recent revelations of shortages in public money unearthed by the state auditor's department of Missouri.

The need for a more complete check-up of public funds has long been recognized by the comptroller of this state, who has repeatedly appealed to the legislature for an adequate appropriation with which to employ additional auditors, the present staff being inadequate to undertake the extended service desired.

The great laxity governing auditing public funds militates frequently against officials obtaining required surety bonds, underwriters being unwilling to assume liability under such circumstances.

### Grand River Dam Bid

The bid of \$9,322,960 submitted by the Messman Construction Co. of Kansas City, Mo., for the construction of the Grand River dam, Pensacola, Okla., proved the lowest of the several proposals offered. Under terms of the bidding the successful contractor must supply a completion bond for 50 percent of the award and a labor and materials bond for 100 percent.

### Ruling on Treasurer's Bond

The South Dakota state legal department ruled that there is no reason why a board of county commissioners cannot reduce the amount of bond required of the county treasurer if they desire. The bonding company carrying the liability may write a new bond at a lower rate if it cares to but such action in no way reduces its liability on the original bond, so far as the treasurer's liability is concerned. The effect of the ruling is that if a bond has been written for \$25,000 the bond can be reduced to \$15,000 if the bonding company is willing to make the change, but the county board cannot reduce the liability first assumed by the bonding company, so long as such liability exists.

### Drop Tavern Bond Cases

MILWAUKEE—Carl Ludwig, who was appointed special counsel by the attorney general several months ago to prosecute tavern bond cases, has announced that the state will not seek a rehearing by the Wisconsin supreme court in the test case recently decided in favor of the surety companies. Mr.

Ludwig said he was drafting stipulations for dismissal of more than 300 cases started throughout the state.

The test case was brought against a tavernkeeper and the St. Paul-Mercury Indemnity. Several million dollars were involved in the issue, as the state was attempting to collect \$1,000 each from tavernkeepers who carried surety bonds required by statute and had been found guilty of violating the law. The lower court held the statute constitutional. On appeal to the supreme court, it was held that the tavern bonds were for liquidated damages and that the sureties were liable only for the amount of any penalty assessed against tavernkeepers, but not for the entire amount of the bond as the state contended.

## CHANGES

### Moorhead to Philadelphia; Takes Middle Department

W. W. Moorhead has been appointed manager of the middle department of the U. S. Casualty with offices in Philadelphia. He has been connected with it since 1927, first as a field supervisor in Pennsylvania, later in the metropolitan area and finally supervisor of production in New Jersey. He was connected with the Washburn Crosby Co. of Minneapolis before going with the U. S. Casualty. He is a University of Minnesota man. He will now have supervision of the agency work in eastern Pennsylvania, Delaware, the eastern shore of Maryland and southern and northern New Jersey.

### Bankers Indemnity Service Office

The Bankers Indemnity has opened a service branch in the Public Ledger building, Philadelphia, with Edgar Campbell as manager. He recently resigned as vice-president in charge of the middle department of the United States Casualty. He started his insurance career with the Travelers as special agent in New Jersey and later was assistant manager in Philadelphia for the London Guarantee & Accident. He took charge of the U. S. Casualty in Pennsylvania for Maryland, Delaware and southern New Jersey some eight years ago.

### Swan to Hartford Accident

R. S. Swan, who has been special agent of the Aetna Casualty in the Indianapolis branch office, has gone with the Hartford Accident in its Peoria office.

### Hamilton in General Agency

Calvin R. Hamilton has become vice-president of the Insurance Exchange, Inc., Indianapolis, which is general agent of the Fireman's Fund Indemnity and Inland Bonding. Several weeks ago

Mr. Hamilton resigned as special agent of the Metropolitan Casualty for southern Indiana and Kentucky. His first insurance connection was with the Rough Notes Company at Indianapolis. He has had good experience in developing casualty and surety lines, having conducted a local agency for a number of years at Lakeland, Fla.

### Landers & Landers Appointment

J. K. Landers, operating as Landers & Landers, general agents, Indianapolis, announces the appointment of G. C. Moore as associate manager. The Landers & Landers general agency represents, in all of Indiana, 46 counties in Illinois and all of Kentucky, the London Guarantee & Accident, Phoenix Indemnity, Standard Surety & Casualty, American Casualty, Columbia Fire, Century Indemnity for marine lines, and the Union Fire. The American Bonding has recently been added. Mr. Landers resigned as resident vice-president of the Metropolitan Casualty, and started his present general agency, May 1, 1937. In the first 12 months 551 agents were appointed, the number now being 581. In the first year \$407,000 in premiums was written.

### France Made Special Agent

Robert France has been appointed special agent of the Metropolitan Casualty and Commercial Casualty in southern Illinois to succeed C. P. Nichols of Decatur.

### Brown Joins U. S. F. & G.

Herbert W. Brown has been appointed superintendent of the compensation and liability department U. S. F. & G., New York City branch. Mr. Brown attended Dartmouth College, being employed by the Travelers in its Atlanta office four years and in the Brooklyn office eight years.

## COMPENSATION

### Connecticut Conference to Discuss Hospital Costs

L. J. Noonan, chairman of the compensation board of Connecticut, has called a conference for July 7, in the office of Commissioner Blackall, Hartford, on the standardization of hospital costs in workmen's compensation cases. The National Council on Compensation Insurance will be represented by H. E. Critchfield, secretary of the Travelers, and the American Mutual Alliance by Ambrose B. Kelly of Chicago. Dr. Allen of the Hartford Hospital and Dr. Goetter of the New Britain General Hospital will represent the Connecticut Hospital Association.

### Names State Fund Commission

ALBANY, N. Y.—Governor Lehman has appointed the following as members of the new state insurance fund commission: J. E. Connell, New York; Brig. Gen. William Ottmann, New York; H. R. Beebe, Utica; Paul E. Fitzpatrick, Buffalo; L. P. Willsea, Rochester; David Rosenberg, New York; J. H. Harrigan, Albany; H. L. Heide, New York City.

Under the law passed by the 1938 legislature, the management of the fund is transferred from the present manager to the new commission of eight.

### Fireman Can Collect Twice

LINCOLN, NEB.—The Nebraska supreme court ruled against the city of Lincoln on the question of whether after having been required to pay workmen's compensation to an injured fireman it is also liable for fireman's pension. The court said apparently the legislature intended to permit the collection of both indemnities, and rendered judgment for both, even though this gives the fireman a monthly sum equal to his pay as an

active fireman. The city contended that this holding took away all meaning from that clause in the workmen's compensation act which provides that one who accepts compensation waives claims to any other form or amount of compensation.

### N. M. Premiums Sharply Higher

SANTA FE, N. M.—Labor Commissioner Davis credits strict enforcement of the compensation law for the sharp increase in compensation premiums in the state last year. The writings amounted to \$951,673 as compared with \$665,008 in 1936. Enforcement was placed in the hands of the labor commissioner in a law that became effective about a year ago.

### Cab Drivers' Compensation

MILWAUKEE—Conferences on a new basis for workmen's compensation benefits to injured cab drivers were held here by H. A. Nelson of Madison, director of workmen's compensation for the state industrial commission, officials and attorneys of the Yellow Cab and Checker Cab companies, compensation insurance men and representatives of the cab drivers' unions. Payments have been computed on the basis of 70 percent of the earnings of drivers. In view of the fact that most of the drivers are working full time, the commission is investigating whether benefit payments should be based on an average of earnings and employment.

### Pays Mortgages, Taxes

MILWAUKEE—The General Accident, which carried the workmen's compensation on the Charles A. Krause Milling Co., has paid \$4,378 on the mortgage, taxes, home repairs and home equipment of Robert Reckard, injured in the April 10, 1937, explosion and fire. Reckard suffered permanent injuries to his hands. Definite lump sum settlement has been held up until next April. Meanwhile Reckard is receiving monthly compensation which, with bills paid by the insurance company, will be deducted later from the amount of the settlement.

### Littlejohn Seeks Probation

A. C. Littlejohn, who was convicted and sentenced last year in federal court on mail fraud charges, has applied to the United States circuit court of appeals in Chicago for probation. He asks suspension of execution of his sentence which was for eight years in the penitentiary and a fine of \$12,000 plus costs. Littlejohn operated National Aid Society and various other "insurance" schemes on an unlicensed basis by mail.

After a hearing in Springfield, Judge Major of the U. S. circuit court of appeals, who was Littlejohn's trial judge in district court there prior to his elevation to the appeals bench, set July 1 as the date for hearing the case and asked that no commitment be issued against Littlejohn until that time.

### French Back from Europe

NEW YORK—C. W. French, president of the Seaboard Surety, and Mrs. French have just returned from a six weeks outing in Scotland and England.

The Federal of Jersey City has been admitted to Virginia to write business on a participating basis.

### WANTED

Large Multiple line Casualty & Surety Company desires service Surety Special Agent Southern California territory. Application confidential. ADDRESS H-68, NATIONAL UNDERWRITER

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## SEABOARD SURETY CO.

FIDELITY AND SURETY BONDS - CAPITAL \$1,000,000

C. W. FRENCH, PRESIDENT

80 John Street, N. Y. - BEekman 3-7345

## CASUALTY ASSOCIATION NEWS

### Probe "Accident Chasing" by Los Angeles Garages

LOS ANGELES—The Casualty Insurance Adjusters Association of Southern California has elected as its officers: President, W. B. Cleves; vice-president, L. Z. Mudra; secretary-treasurer, B. T. Shepard.

The index committee presented its report showing that the Southern California Index now has 30 member companies contributing and 15,000 cards in the index. The association adopted a motion to appoint a committee to investigate unethical practices by Los Angeles repair garages, the allegation made being that the garage owners and operators have been indulging in accident chasing in collusion with members of the police department, with consequent pay-off to the particular officer who sent the damaged car to that particular shop.

President Cleves urged that the association put forth every effort to have a national association formed. He also urged further efforts in working out a solution of the lawyer-adjuster problem, with attorney members taking an active part in the negotiations when the California State Bar Association holds its annual meeting. Attorney George Greer was named chairman of a committee to look after this matter.

H. R. Lyle of the Lyle Adjustment Bureau, Phoenix, Ariz., reviewed the convention of the National Association of Independent Adjusters at Indianapolis, said it was the general opinion of those in attendance that the pressure on the part of the bar associations in regard to the question of practicing law is definitely being eased up.

### Aviation Underwriter Is San Francisco Speaker

SAN FRANCISCO—F. C. Treadwell, resident vice-president United States Aviation Underwriters, Los Angeles, speaking at a dinner meeting of the Casualty Underwriters Club, reviewed the history of aviation insurance, its early problems, experiments and developments. He pointed out that there are still numerous questions and puzzles, particularly in view of the greater use of air transportation and the increasing demand for higher limits under the various coverages.

#### Great Potential Risk

He spoke of the tremendous potential risks of the future, telling of the new giant passenger planes under construction, some of which, he said, will carry as high as \$7,000,000 of passenger liability, property damage, public liability and a number of miscellaneous lines. One plane now under construction will seat 72 passengers with from \$75,000 to \$100,000 per passenger seat.

W. B. Brandenburg, Maryland Casualty, president of the club, turned the meeting over to Herman Wegis, Hartford Accident, chairman of the program committee. Managers, assistant managers and department heads of casualty companies in San Francisco were honored guests.

### Mountain Group Meets July 11

DENVER—The Mountain States Casualty & Surety Association will hold a final meet July 11, to review Fourth of July developments.

## NEWS OF CASUALTY COMPANIES

### Hold Formal Opening of U. S. F. & G. New N. Y. Office

Formal opening of the reconstructed New York branch office of U. S. F. & G. was held this week. The office was not closed during alteration and improvement. This year marks the 40th anniversary of the establishment of the branch. The home office was represented at the reception by R. H. Bland, chairman of the board; E. A. Davis, president, and a number of other senior executives. Hundreds of agents, brokers, executives of other companies, insurance department heads and others attended. For 15 years or longer the branch has been located in the property which the company purchased at 73, 75 and 77 William street. It consists of three buildings, over 90 years old, which were constructed for the company's use. Some months ago the company acquired the adjoining one at 71 William street, a building of unusual interior construction. It was a large undertaking to bring the group under one symmetrical structure. The outer walls on both the William and Liberty street sides were removed and replaced by a handsomely designed wall of stone. The interior of 71 William street was torn out and rebuilt. The complete building, including basement, has a little more than 28,000 square feet of floor space.

The ground floor has been converted into an attractive office for the public and brokers to transact business with the company's representatives, the upper floors being occupied by the accounting, claim, engineering and other service departments.

### Vice-President Oakley Absent

The one sad note in the occasion was the enforced absence of A. G. Oakley, vice-president, who assumed the management of the branch there just 40 years ago, and has been largely respons-

ible for the great development of its business. Mr. Oakley continues seriously ill at the Roosevelt Hospital. The esteem in which he is held by the administration was set forth in a fine tribute by Mr. Bland and in a series of resolutions adopted by the board photographed by each member. The resolutions and the tribute, both richly engrossed, were bound in a leather book, finely tooled and in excellent taste.

Manager W. H. Estwich and Assistant Manager K. H. Woods, aided by the department heads, acted as official greeters at the reception.

### Reinsures Louisiana Business

NEW ORLEANS—The Trinity Universal has reinsured its Louisiana automobile liability and property damage, miscellaneous public liability lines and burglary insurance in the Continental Casualty. Its Louisiana automobile fire, theft and collision insurance has been reinsured in the New Jersey. The reinsurance was effected by Emery & Kaufman, general agent for Louisiana of both companies.

### Postal Mutual Indemnity Expands

The Postal Mutual Indemnity of Dallas has entered the fire field. It will retain net lines of \$1,000 on unprotected and \$2,000 on protected property. In Texas it can write all lines of insurance except life and surety. It can write other than fire insurance lines in Oklahoma. In Arkansas, Colorado and Nebraska it confines itself to accident and health.

The Glens Falls Indemnity has been licensed in Oklahoma with R. W. Crow, Oklahoma City, as state agent.

The American Fidelity & Casualty of Richmond, Va., has declared a quarterly dividend of 15 cents a share, payable July 11.

A. C. Nickell, 87, former president of the Mutual Fire of Waukesha, Wis., died at his home there.

## CASUALTY PERSONALS

R. V. Peavey, Bangor, Me., agent Massachusetts Accident, was ill in the hospital on Friday, May 13, this year and decided when he got out that he would stage a hoodoo contest of his own on June 13. He wrote 13 "apps" on June 13 and 13 on June 14. He qualified last year on Friday, the 1th, for the Black Cat Club of 1937.

Charles G. Smith, 52, manager of the New York state insurance fund since 1925, died of a heart attack at a New York hotel. Following graduation from Columbia University he was with the Metropolitan Life 1903-1907, subsequently serving with the California department, the Puritan Life and as actuary of the savings bank life plan of Massachusetts. He became assistant actuary of the New York department in 1916 and two years later was appointed actuary, resigning in 1925 to become manager of the New York state fund.

A son, Arthur G. Smith, is assistant general manager and actuary of the compensation insurance rating board of New York. C. G. Smith had been a member of the governing committee of the latter body for a number of years

and at one time its chairman. He held membership in the Actuarial Society of America, Casualty Actuarial Society and other professional groups.

Louis H. Paine, manager of the Toledo branch office of the United States Fidelity & Guaranty for 20 years, was honored by the agency force in celebration of his 20th anniversary. Agents reporting to the Toledo branch office put on a three-months new business testimonial campaign, which ended June 1, and produced 194 percent of their quota. Mr. Paine was honored by a testimonial party last week at Lake Wawasee, Ind. In addition to a large group of agents, home office officials of both the United States Fidelity & Guaranty and Fidelity & Guaranty Fire were in attendance.

John J. Hall, director of the special service division of the National Conservation Bureau, has been appointed chairman of the education and program committee of the nine-state highway safety and motor vehicle conference, recently formed by nine eastern states to promote interstate cooperation in motor vehicle laws and administration. The

## IT'S EXTRA SPECIAL!

Ohio Casualty's Special Automobile Accident policy offers an extra special opportunity to agents who want to add a little bit extra to what they're getting in the way of volume this year.

The premium is small, we'll admit, but we've discovered that once sold, renewals are easy—practically automatic. Besides, it's a great little door-opener to the selling of bigger, more profitable lines.

*Interested? If in an unassigned territory, we will be glad to send full details, on request.*

**THE OHIO CASUALTY  
INSURANCE CO.**  
HOME OFFICE HAMILTON, OHIO

Full Coverage Automobile  
Automobile Accident Liability Plate Glass Burglary  
Fidelity and Surety Bonds



states making up the conference include New York, New Jersey, Pennsylvania, Connecticut, Massachusetts, Rhode Island, New Hampshire, Vermont and Delaware.

**C. W. Fairchild**, general manager Association of Casualty & Surety Executives, is concluding a long swing through Pacific Coast territory and the central west, and is due to return to New York about July 1.

**Braniff Airways**, of which **T. E. Braniff** of Oklahoma City is president, is celebrating its 10th anniversary. It started with one pilot and one ship. Today there are 44 pilots, with twelve Lockheed Electra and Douglas planes flying between Chicago and Brownsville, Tex., on the Mexican border and 270 employees, including pilots, hostesses, office forces and operating and maintenance departments, with headquarters at Dallas, Tex.

**C. W. Fellows**, president Associated Indemnity, and Associated Fire & Marine, is in a San Francisco hospital convalescing from a severe cold and throat infection contracted during his recent trip to New York and other eastern cities. It is expected he will return to his office in about a week.

**T. T. Wallace**, president Great American Reserve, of Dallas, was elected president of the class in agency building conducted by the Life Insurance Sales Research Bureau at the Edgewater Beach Hotel, Chicago. He is one of the youngest insurance presidents in the United States at age 33. He entered insurance as a life, accident and health salesman when 18, becoming a successful producer almost immediately.

In 1937, he organized the Great American Reserve, an old line legal reserve company writing life, accident health and hospitalization insurance. He has built a successful sales organization which is at the present time writing an average of 33 applications per month per individual salesman.

**D. M. Sawtelle**, son of C. O. Sawtelle of Sawtelle, Cary & McAllister, San Antonio, Tex., for 20 years representative of the American Surety, was married to Miss Laura Gregory, daughter of the late **E. R. Gregory**, former Texas manager of the American Surety, at Dallas.

**B. D. Lecklider**, president of the Ohio Casualty, Hamilton, O., has withdrawn from the race for the Democratic nomination for lieutenant governor of Ohio.

## Michigan Field Groups Hold Annual Meeting

(CONTINUED FROM PAGE 5)

to the retiring president on behalf of the association.

The annual meeting of the field club was presided over by **W. C. Howe**, Firemen's of Newark group, retiring president. **Stanley Syrett**, Northwestern National, was elected president. **George Woodfield**, Firemen's group, vice-president, succeeding **B. R. Howard**, and **D. C. James**, Firemen's group, reelected secretary-treasurer.

### Blue Goose Initiation

The Michigan pond met in the afternoon for the splash and pinfeather plucking. Most Loyal Gander **G. R. Edleman**, Home fleet, presided. Goslings initiated were **L. A. Bertling**, Detroit; **J. F. Fles**, Kalamazoo; **R. M. Holmer**, Lansing; and **Loraine C. Schlager**, Battle Creek, all of Underwriters Adjusting; **W. H. Sheppard**, Ward Adjusting; **C. D. Watson**, Detroit, Home fleet; **J. A. Wilson**, Chicago, Western Sprinkled Risk; **H. W. Mullins**, Detroit, National Fire, and **C. A. Nelson**, Detroit, Home fleet.

New officers to take office July 1 were introduced: **W. W. Wolf**, American of Newark, most loyal gander; **M. L.**

**Degenaar**, Firemen's group, supervisor; **T. M. Nyholm**, National Fire, custodian; **J. F. Bohrer**, Camden Fire, guardian; **W. T. Benallack**, Michigan F. & M., welder, and **G. P. Kessberger**, keeper.

The fire prevention association then met with **O. D. Wiche**, Phoenix of England, retiring president, in the chair. The president and Secretary **J. F. Bohrer** reported on inspections, educational work and other activities.

### Preventionists Election

**J. F. Nehman**, Fire Association, was advanced from vice-president to president, succeeding **Mr. Wiche**. **G. H. Haage**, Norwich Union, was elected vice-president, and **B. L. Hewett, Jr.**, Boston and Old Colony, secretary-treasurer, succeeding **J. F. Bohrer**, who held that post for several years. The executive committee and standing committees soon will be appointed. **Mr. Wiche** was presented an electric clock.

The annual banquet in the evening was stopped by the Louis-Schmeling fight. **G. R. Edleman**, most loyal gander, opened the session, introducing **W. T. Benallack**, for many years welder and past most loyal grand gander. The speaker was **C. J. Malcolm**, Toronto, grand keeper, who brought greetings from the grand nest. As he finished the fight started and all activities were suspended while a loud speaker brought in the results of the match.

### Several Speakers

**A. F. Powrie**, past **M. L. G. Michigan** pond; **T. C. Little**, Des Moines, of the Iowa pond, and **G. R. Pritchett**, Indianapolis, Indiana pond, spoke briefly. **M. L. G. Walter Wolf**, who takes office July 1, concluded with a pledge to give an active administration.

## Wisconsin Field Group Hold Summer Session

(CONTINUED FROM PAGE 5)

recommended to concentrate largely on county organization work.

"We feel that the greatest work that has been accomplished in the state of Wisconsin has been through organization channels," **Mr. Dachenbach** said. "To deal with many important questions, the executive committee should meet at least three times a year with executive committees of both the Wisconsin state association and of the Milwaukee Board. Continued cooperation of the members of this association is also recommended in regard to the membership campaign of the state association of local agents."

### Quackenbush Is Speaker

The annual report of the secretary-treasurer was made by **H. C. Busack**, Norwich Union. Two new members elected were **H. L. Johnson**, special agent Great American, and **Thomas A. Hites**, state agent Boston and Old Colony. Reports were made by **C. W. Hutchinson**, North British & Mercantile, chairman contact committee; **Thomas Larkins**, Hartford Fire, legislative committee, and **D. W. Swanson**, St. Paul Fire & Marine, public relations committee.

**S. H. Quackenbush**, western manager Westchester Fire, was guest speaker at the opening session. A number of other company officials in attendance were also presented and called on for remarks.

Speakers Thursday morning will be **Val Gottschalk**, president Milwaukee Board, and **Henry Olson**, vice-president First Bancredit Corporation, followed by election of officers.

The Wisconsin Insurance Club, Bureau field men's organization, is also holding its annual meeting. **Charles P. Hall**, Standard of New Jersey, is presiding, with **Irven F. Frey**, Firemen's group, as secretary-treasurer.

Afternoons are devoted to sports and recreations. Ladies attending the meeting are having their own social and recreational program, arranged under the direction of a committee of the Wis-

consin Women of the Blue Goose. The annual dinner-dance was held Wednesday evening.

## Casualty Premiums, Loss Ratio in Canada Higher

OTTAWA, CAN.—An increased underwriting income of over \$5,000,000, and an average loss ratio slightly higher than in 1936 were the outstanding features of casualty insurance in Canada in 1937.

Personal accident premiums increased and the business was satisfactory. Health insurance showed an increase in premiums with a loss ratio of 61 percent compared with 65 percent in 1936. All other accident business showed a profit. There was an increase of over \$3,000,000 in automobile premiums with a loss ratio of 57.19 percent. Volume of business in fidelity and surety increased materially, with loss ratios of 28 and 32 percent respectively.

Total premium income for all lines defined as casualty insurance in Canada was \$34,398,020, as against \$29,066,160 in 1936. This included various classes listed as fire insurance side-lines in the United States. In 1937 claims totaled \$16,719,983, as against \$13,753,300 in 1936. The loss ratio in 1937 was 48.6 percent compared with 47.3 percent in 1936.

The experience by classes follows:

	Net Premiums	Net Losses Inc.
Pers. Acci. ....	\$ 3,202,872	\$ 1,356,901
Workmen's Comp. ....	623,713	214,227
Other Accident ...	1,870,340	1,281,195
Health .....	1,513,684	925,242
Acci. & Health....	2,303,285	1,281,195
Aviation .....	82,828	72,607
Automobile .....	16,790,056	9,602,291
Burglary .....	1,532,799	584,749
Credit .....	197,112	13,510
Forgery .....	40,383	9,917
Fraud .....	10,641	2,786
Fidelity .....	1,240,064	291,137
Surety .....	928,040	300,417
Live Stock .....	28,511	11,455
Machinery .....	286,401	66,378
Plate Glass .....	549,105	237,886
Steam Boiler .....	552,557	22,362

## Adjusting Problem Coming to Head in Hartford, Conn.

HARTFORD.—Hartford insurance people are alive to the dangers threatening them by lawyers who feel that insurance men who adjust claims are guilty of unauthorized practice of law. The Hartford County Bar Association has listed the following objections: "Appearances by laymen before state departments and state commissions in matter wherein legal relations are involved; appearances by adjusters of insurance companies before state compensation commissioners; practice by non-members of the bar before probate courts involving legal questions; certain practices by collection agencies; drafting of legal documents, such as leases, deeds, bonds for deeds, and wills; certain practices of insurance company adjusters in making settlement of cases."

In a letter appearing in a recent issue of a Hartford newspaper, someone who signs himself "Insurance Clerk" calls for his brothers in the insurance fraternity to arouse themselves and stand up for their rights. He concludes:

"The adjusting phase of the insurance business needs to develop an aggressive campaign and show a concerted battlefront as a result of the setback it received in the lower court of Missouri. A major question is at issue, for the ruling, if upheld, displaces the very backbone of the insurance business."

"It is apparent that the Hartford County Bar Association intends to follow the procedure of Missouri. Therefore, it is a warning to all insurance clerks engaged in casualty lines, employed in responsible positions, as well as to other clerks who hope some day to be promoted to these responsible positions, to take an active interest and see that the attorneys do not encroach this field."

## Spencer Welton Begins Personality Sketches

BOSTON.—Spencer Welton, vice-president and in charge of the agency and production department of the Massachusetts Bonding, has started a series of tabloid biographies of home office officials in its house organ the "Concentrator." His first subject is Vice-president **C. G. Fitzgerald**. When the company was being organized by President **T. J. Falvey** in 1907, **Mr. Fitzgerald** became associated with the institution and has been continuously with it. When he was practicing law he represented a surety company, and according to **Mr. Welton**, from that moment there was born a surety man. **Mr. Spencer** is a past master of personality and biographical sketches. He is not merely "giving the minutes of the last meeting," but enables a reader to get a vivid pen picture of the man himself.

## Kansas City Fire Patrol Has Good Safety Record

KANSAS CITY.—An unusual safety record has been made by the Underwriters Fire Patrol here. Nine of ten drivers of fire equipment have driven in all weather and traffic condition night and day for four years without an accident which led to payment of damages. The patrol covers almost solely the high value, downtown, district where traffic and parking are heaviest.

Four years ago the Ocean Accident, which carries the public liability on the patrol inaugurated a plan of awarding bronze pocket medals to drivers. Chief **Gardner** has not had an accident in the four-year period, but did not know he was entitled to enroll and did not do so the first year. The medal carries the driver's name and years of perfect record. After five years, the bronze medal is exchanged for a silver one, and after eight years, for gold.

## Act Against Outlaw Bus Lines

LOS ANGELES.—Thirty-five independent bus lines in southern California have been ordered to cease operations by the state railroad commission, the lines having been classed among the "outlaws." None of them carry compensation or liability insurance, as required by law, and this is given as the principal reason for banning them from the roads.

## Nebraska Truckers Lose Permits

LINCOLN, NEB.—The state railway commission has cancelled operation certificates of about 400 truckers for failure to furnish property damage and liability insurance. Some of the truckers were unable to obtain insurance because of their accident records, but most of them were unable to pay the premium demanded, which averages between \$50 and \$60 a year.

**J. C. Byrnes**, 70, local agent at Columbus, Neb., for a number of years, died suddenly in Omaha. In recent months he was acting United States marshal for Nebraska.

## WANTED

By a multiple line casualty company, special agent having broad agency acquaintance in Ohio to operate in conjunction with strong fire company, both non-conference. Excellent future if production warrants. ADDRESS H-74, NATIONAL UNDERWRITER

## DESIRES TO BUY

Broker with ten years experience all lines of insurance in company and agency desires to buy interest in agency or outright purchase of brokerage accounts. Adv location. ADDRESS H-73, NATIONAL UNDERWRITER

# POINTERS FOR LOCAL AGENTS

## Credit Insurance Splendid Opportunity for Agents

KANSAS CITY — Credit insurance, which affords opportunity for additional premium income, is not pushed by most agents because, if they think about it at all, they regard it as too specialized a form, according to R. S. Nelson, general agent American Credit Indemnity here. Mr. Nelson, an authority on the line, recently prepared a paper on credit coverage in the Kansas City Credit Men's Association insurance study program.

The line is specialized, he admitted, but this should not deter the agent from tapping a large market. Among its advantages are that its sale places the producer in such intimate contact with vital functions of a business that he readily can place other lines. The agent who wants to give clients complete insurance service also must offer credit coverage. Until he does so his relations with a client are in jeopardy, for the assured might suffer through credit extension a considerable loss that could have been covered by such a policy, and he probably would blame the producer. Renewal is little trouble with this line.

### Debt Loss Exceeds Fire Loss

Annual bad debt losses sustained by manufacturers, wholesalers and jobbers exceed total fire losses in the United States, including oil field and forest fires, and has for 20 years, Mr. Nelson pointed out. This is indicative of possibilities of the market. Although written 45 years by the American, credit insurance has had its greatest growth in the last ten years. In 1937, premium income of the American increased 55 percent over 1936, which points to growing popularity of the coverage.

Five years ago this insurance was written more as a blanket proposition and included restrictions of all kinds. Due to increased volume, policies are broader and coverage is available in much larger quantities. Protection is afforded not only against insolvency of debtors but against inability or neglect to pay, as well. Firms may purchase individual policies to cover sales to certain firms that are, because highly regarded, granted a large line of credit, but whose failure would be a matter of grave concern to the creditor. Certain groups of creditors may be selected. Certain debtors may be excluded. The coverage is designed to fit the requirements of the individual wholesale or manufacturing company of any type. The American, for instance, issues coverage to more than 250 different types of businesses, large and small.

### Makes Suggestion

Two courses are open to the broker, suggested Mr. Nelson. He can close his eyes to the opportunities for increased premiums because he lacks knowledge, or he can become familiar with the existence of such protection and go ahead, referring problems of too special a nature to the company.

Credit insurance has to be sold, and the agent has entrée. Any manufacturer, wholesaler or jobber is a prospect. It is up to the local agent to develop inquiries by causing such firms to realize the need for the protection. While certain information is required as to past experience of the individual concern and its credit policies, the company has a standard questionnaire to develop this and furnish the basis for a proposal.

This proposal the company sends to the agent.

"Tell the prospect you've tried to keep him informed of all coverages, but that here is one he does not have," Mr. Nelson suggested. "Your accounts receivable must run pretty high, Mr. Prospect. What would happen if you had a particularly heavy credit loss? Mightn't it endanger your whole capital structure?"

### Trustworthiness No Alibi

Because business men have become hardened to the hazards incident to the extension of credit, they think they don't need credit insurance, explained Mr. Nelson. "My accounts are thoroughly weeded out. We have only the most trustworthy firms on our books," is a familiar reaction. The broker should remind the prospect that it is the firm in which the creditor has implicit confidence that causes the large credit losses. It is to such firms that credit is readily extended in large amounts.

"Credit losses, never 'normal,' come usually when and where least expected. Ninety-six percent of failures due to credit losses are of supposedly honest men who wouldn't refuse to pay personal bills. Men of integrity, they just don't consider it expedient or necessary to advertise their true condition in times of stress. Incidentally, over a long period, the percentage of million dollar firms failing is the same as the percentage of \$25,000 firms.

"You do have credit losses, don't you, Mr. Prospect? Of course he does. 'Then you need credit coverage. I've been coming here for ten years, and in that time you've paid me premiums for fire insurance to protect your plant and inventory without a protest, though you haven't had a dime's worth of loss from fire. You have credit losses every year, yet you won't even consider protection against them.'"

Other sales points suggested by Mr. Nelson are: Accounts receivable often

equal, sometimes exceed, the amount of inventory. No firm would dream of not carrying insurance on inventory, but many neglect to follow capital and inventory represented in merchandise sold and protect them. The usual discount for payment of bills within ten days is 2 percent. The cost of credit insurance, as a general thing, is a fraction of 1 percent of sales. A firm with \$15,000,000 annual sales refused credit insurance on the ground that the premium would be prohibitive. But when the proposal was presented the company's reaction was that there must be a joker somewhere; the premium was so low.

Within well-defined limits, credit insurance enables the manufacturer, jobber and wholesaler to know in advance what his losses from bad debts will be for the year, and to reduce such losses to a definite percentage of sales, where they belong. He is not compelled to hold any material portion of his capital in reserve for unexpected losses but, being fortified by insurance on all other phases of his affairs, is in position to conduct his business with confidence and safety. He thereby stands a much better chance of getting accommodations from his banker than might otherwise be the case.

### Profits Are at Stake

Business is conducted for profit, and profit is made, not at the time of the sale, but only when the account is paid. If there is one thing in a business on which protection is justified it is on the profit in that business out of which all other forms of insurance must be paid, Mr. Nelson commented. Credit insurance starts in after all other forms of insurance have served their purpose.

Custom and competition compel the manufacturer and jobber to sell to the many on credit without collateral and even without interest. Credit insurance, then, really is a guarantee of collateral on these loans to debtors made in the form of merchandise, according to Mr. Nelson. Anyone can lend money. It takes a good man to get it back—with a profit.

"To one firm that has carried the coverage 16 years we have paid three losses," he said. "According to the management, the firm was paid at a time it could least afford losses and therefore most needed the insurance payments; in the other years it best could stand losses,

and could, therefore, best meet the premium payments."

The coverage is not issued on retail credits because of the moral risk involved. The latter obtains very slightly in the wholesale and manufacturing field. Less than 4 percent of U. S. business failures due to credit losses are caused by fraud within the company. Another factor is that the basis for underwriting credit risks is mercantile agency reports, which are not available on retail debtors.

Argument against credit insurance years ago was that carrying it induced loose credits. To offset this the American organized a service department for loss prevention work that has saved policyholders many times the premiums they have paid. It is this service work also which has made possible such liberal policies, Mr. Nelson said. As in the case of boiler insurance, assured carry credit insurance as much for the service as for repayment of losses.

## Explains Coverage on Heating Plant Boilers

Speaking before the Detroit Insurance Women's League on "Heating Boiler Insurance Simplified," John R. Barrett, Fidelity & Casualty, explained that the basic coverage reimburses the assured for all loss of property damaged by an explosion of the boiler and also covers assured's legal liability for consequent damage to other property.

He defined a boiler accident as the sudden and accidental tearing asunder of the boiler or any part thereof, caused by pressure of steam or water contained therein or caused by pressure of air or other liquids. A low pressure boiler is one with a pressure of 1 to 15 pounds and a high pressure boiler is one that carries 16 pounds and up, he said. Cracking and fracturing of a steam boiler caused by turning cold water into a hot boiler that is almost empty is included in the one-family residence boiler policy. There is an additional charge for this coverage in apartment houses and factories or schools, he stated.

Boiler insurance covers explosion of fuel within the firebox. Gas can accumulate from piling up coal in the furnace and may cause an explosion.

There are three separate rates on every boiler, first for the boiler itself; second, the basic charge and last, the location charge.

An agent asks: "Where can we find prospects for boiler insurance?" The answer is: "Look for the smoke stack." The most important service in boiler insurance is not the paying of an assured's damage but the question of safety, Mr. Barrett contended. The periodical inspection detects the faults in the boiler, if any, and may prevent many violent deaths.

Boiler insurance is not covered under the supplemental contract or any form of fire policy, he said. In rating a boiler in a private home, the number of heated rooms makes the rate and 40 cents out of every dollar of premium goes for inspection.

Mr. Barrett supplemented the technical features of the policy with stories and pictures of disastrous explosions.

### Protective Association Bankrupt

ST. LOUIS—The Automobile Owner's Protective Association has filed a voluntary bankruptcy petition in federal court. It listed assets of \$225 and liabilities of \$7,082. It had offered service to automobile owners, such as financial aid in defending law suits arising out of accidents, road service and mechanical repairs.

## Additional Living Expense Policy Is Issued

The Boston and Old Colony are featuring an "additional living expense" form for residences. This coverage, which is an adaption of extra expense insurance to householders, covers the additional living expense of the assured in the event his residence is rendered untenable because of fire or other insured hazard. It includes such expenses as feeding, housing, laundering and garaging for all members of the household, including servants. It also covers the cost of moving, storing and insuring household furniture and other personal effects, the latter being limited to 10 percent of the amount of additional living expense insurance and to a maximum of \$200.

A form approved by the New England Insurance Exchange for this coverage requires carrying additional living expense insurance for either 180 or 365 days, recovery for each day of untenability being restricted to either 1/180th or 1/365th of the amount of insurance. The coverage for moving and storing

personal effects does not reduce the daily liability. The rate in New England is two-thirds of the dwelling rate for the 180-day form and one-half the dwelling rate for the 365-day form. It may be written under a separate policy or may be added by endorsement to a policy covering a dwelling or household furniture.

The additional living expenses form does not cover the actual rental value of the property and covers only the difference between the assured's ordinary living expense and what it would cost him to live in the event of untenability, "conforming to the assured's general mode of living."

The Boston and Old Colony recommend selling rent or rental value insurance in addition to additional living expense coverage if the assured has a lease which does not provide for an abatement of rent in the event of a fire or if he owns his residence. It is stated that the form has been approved in other jurisdictions as well as New England.



# FIRE INSURANCE NEWS BY TATES

## MIDDLE WESTERN STATES

### Michigan Mutuals Hold Rally

Seek Change in Law Relating to Cancellation Notice; State Officials Speak

CADILLAC, MICH. — Changes in the Michigan law regarding cancellation notice will be sought by the State Association of Mutual Insurance Companies of Michigan, judging by action taken at the annual mid-summer meeting held here. A resolution was adopted by 175 mutual officers present asking the legislative committee to frame suitable recommendations for presentation to the 1939 legislature.

The membership indicated it would like to see adoption of a statute which would make cancellation effective ten days after the proved mailing of a cancellation notice to assured. Courts have refused to interpret the present law liberally, it was said, holding there must be proof the insured received cancellation notice. Costs would be reduced considerably, it was pointed out, if the postal "proof of mailing" innovation could be legally utilized.

### To Prepare Code of Ethics

President L. A. Stid of Mason was authorized to name a committee to establish a code of ethics for farm mutual agents. This action followed discussion of a report by a preliminary committee consisting of L. P. Dendel, Lansing, secretary; W. V. Burras, Earl McNitt, W. D. Rowe, and Mr. Stid. There has been considerable bickering between agents, it was revealed, and departmental citations have been necessary in some instances to straighten out controversies which, the members believe, should be taken care of through the association's own machinery.

Seth Burwell of the department's licensing division talked on this subject, bringing out the need for self-disciplinary action. Commissioner Gauss was scheduled to speak but was unable to be present. He was replaced on the program by L. H. Baker, vice-president Michigan Millers Mutual Fire, Lansing, who discussed necessity for farm mutuals to establish surplus reserves, a provision incorporated in a recent Michigan act.

### Consider Reinsurance Pool

There was considerable discussion, also, of the farm mutuals' reinsurance pool, operative since February, which has 27 members and is said to be working satisfactorily. Some leaders urged more carriers cooperate. Approximately 40 mutuals were represented at the meeting.

Among other speakers were: J. M. Allen, chief farm mutual examiner Michigan department, and W. R. Overmire, manager insurance department, Federal land bank, St. Paul. Discussions were held on methods of changing to the advance assessment plan required under the new law; "Uniform By-law No. 2 and Payment of Partial Losses," electrical inspection and recent court decisions pertaining to that subject, and loss adjustments.

### Tells Local Board Advantages

WICHITA, KAN. — The advantages of local board organizations for mutual understanding and cooperative endeavor was emphasized in a talk on "Competitors' Relationships" given by Russell E. McClure, executive secretary of the Wichita Independent Business Men's Association before the Wichita Rotary Club, in which he cited the progress made by the Wichita Insurers.

### Robertson Suit Blocked

Missouri Supreme Court Halts Rate Case Action—Would "Loot" Fund, Attorney-General Says

JEFFERSON CITY, MO. — The state supreme court has issued a stop order against Judge Dinwiddie of Boone county, automatically halting action on the suit of Superintendent Robertson to clarify handling of the 16% percent insurance refund case.

The order was issued after four St. Louis real estate companies filed application for a writ of prohibition against Judge Dinwiddie, arguing that the circuit court was without jurisdiction and had no authority to authorize payment of fees or expenses of the litigation.

Superintendent Robertson said the suit merely sought court instruction on how the impounded money was to be returned to policyholders, but Attorney General McKittrick, fighting the action, said it would open the way for lawyers to "loot" the fund.

### FEDERAL COURT ALLOWS FEES

KANSAS CITY, MO.—Fees totaling \$45,000 were allowed here by the special three-judge federal court that had jurisdiction over approximately \$9,000,000 of premiums impounded in the Missouri rate case.

The Commerce Trust Company of Kansas City as administrator of the estate of the late W. T. Kemper was allowed \$18,000 for his services as custodian of the federal court funds prior to his death. His son, W. T. Kemper, Jr., is the present custodian. W. S. McLucas, now a banker in Detroit, first custodian of the fund, gets \$11,000 and J. E. Goodrich, attorney for both McLucas and the older Kemper, \$16,000.

### Company Personal Property Tax Urged in Michigan

LANSING, MICH. — Personal property owned by insurance companies in Michigan would be put on tax rolls under recommendations submitted to the state tax study commission which is to report to the 1939 legislature with a view to broad amendment of tax laws. The recommendations pertaining to insurers, including some other suggestions, notably one that the state's policy on taxation of annuities be clarified, were made by the taxation committee of the Michigan Municipal League and special tax committee of the Municipal Finance Officers Association of the United States and Canada.

It was pointed out many big city life companies have become large property owners in the state during the depression period through foreclosure of mortgages. At present, the committee said, companies are claiming exemption from personal property levies connected with these real estate holdings under a code section which establishes premium tax "in lieu of all other taxes" with specific exception of real property.

The joint report held that the legislature did not contemplate a situation such as brought about by depression, in which title to apartment houses and hotels containing considerable taxable property is held by insurance companies which are enjoying tax exemption. This has created unfair competition with other apartment house owners obligated to pay tax, the report states.

There also is difficulty in valuing the payments, in the absence of an expressed statutory method. The committees said the kinds of annuities taxable should be

definitely expressed as well as a clear cut method of valuation developed.

The committee recommended that tax laws be altered to permit taxing authorities to begin suit against property owners for the amount of unpaid taxes due. At present the only remedy of governmental units is a form of seizure which, in case of real property, is lengthy and involved, requiring sale of the property for taxes. In the interim, change in status of real estate may render its value less than the amount of tax due, especially when buildings on tax-delinquent real estate are burned.

### Webb & Harriss, Mt. Vernon, Ill., Celebrate 50th Year

The Webb & Harriss agency at Mt. Vernon, Ill., is celebrating its 50th anniversary. Organized in 1888 by A. D. Webb and A. C. Webb, brothers, it has always occupied the same quarters and is one of the oldest firms in the county. In 1896 A. C. Webb withdrew, his place being taken by C. W. Harriss, the firm continuing thereafter as Webb & Harriss. Upon the death of A. D. Webb in 1921 his sons, Roger G. and George N., formed a partnership with Mr. Harriss. Besides insurance the agency does a real estate and investment business. R. G. Webb is manager of the insurance department, having been with the agency since 1910, and G. N. Webb, since 1919. The latter with Mr. Harriss manages the title and loan department. The agency has always represented large stock companies, one since 1888 and several others 30 to 40 years.

### Favorable Publicity Given Rain Insurance Policy

EVANSVILLE, IND. — The M. L. Ichenhauser Insurance Agency of this city has received considerable desirable advertising through its payment of \$1,200 to the Evansville Press Co. under a rain policy, the issuing company being the Pennsylvania Fire. The policy was issued covering the guaranty of the newspaper that if rain interfered with special bargain day arrangements planned by the local merchants, all advertisements in connection therewith would be inserted in the paper the following day without additional charge. Sufficient rain falling on the set day to restrict purchases, the special sale was held the following day, proving a great success. So appreciative was the Evansville "Press" of the promptness with which its rain policy was settled that it printed a facsimile of the insurance company's draft and gave a history of the transaction in its columns without cost to either company or agent.

### Commemorate Federation's 25th Anniversary July 15

The 25th anniversary of the founding of the Insurance Federation of Ohio will be commemorated with an all-day meeting at the Deshler-Wallick Hotel, Columbus, July 15. J. S. Drewry, Mutual Benefit Life, Cincinnati, is president of the federation; Russell M. Knepper, Columbus, vice-president and counsel; C. A. Wikoff, Columbus, secretary-treasurer, and Homer Trantham, Columbus, executive secretary.

The meeting will open with a luncheon, at which there will be outstanding speakers. In the afternoon group meetings will be held. Mr. Drewry will preside over the life section; James R. Millikan, Cincinnati, general agent Fidelity & Casualty, the casualty and surety section, and B. G. Dawes, Eureka Security, fire. Messrs. Millikan and Dawes are both former presidents of the federation. There will be a banquet in

the evening, followed by a business session, when officers will be elected, and entertained.

### Regional at Austin, Minn.

AUSTIN, MINN. — The Southern Minnesota Agents Regional Association held a round table discussion meeting at the Austin Country club, following a dinner at which the wives were guests. L. D. Engberg, representing the Insurance Exchange of St. Paul, was present to arouse local interest in the National Association of Insurance Agents meeting to be held in St. Paul in September.

C. S. Babcock of Austin read a paper on riot and civil commotion insurance. The balance of the meeting consisted of open forum discussions and the question box.

### Fire Hazard Survey Hits Snag

MINNEAPOLIS.—A crew of 68 persons is now being trained to make a WPA fire hazard survey in Minneapolis. However, the plan has run into something of a snag, as Fire Chief Traeger insists that if such a survey is to be made with the cooperation of his department that he has something to say about the direction of the work. The program calls for WPA supervision of the project.

### Plan Tri-County Association

BAD AXE, MICH.—A meeting of agents in Huron, Sanilac and Tuscola counties has been called for July 14 here to consider organization of a tri-county agents association affiliated with the Michigan Association of Insurance Agents.

### Marshalltown in Class 5

Marshalltown, Ia., has been restored to Class 5 by the Iowa Insurance Service Bureau. It lost its Class 5 rating in 1935 because it had no zoning or building ordinance and because the fire protection did not come up to the standard.

### B. D. Meeting at Findlay, O.

A Business Development meeting was held at Findlay, O. W. J. Gilsdorf, North America, was general chairman. J. K. Olson, Fire Association; B. C. Curran, Continental, and R. N. Merrill, Hartford, were vice-chairmen. Speakers were H. P. Winter, America Fore, and H. S. Boynton, Toledo local agent. Rural agents' problems were discussed by P. W. Tribolet, chairman of the rural agents committee of the Ohio Association of Insurance Agents.

### Medina County, O., Meeting

The Medina county, O., Agents Association will hold a meeting and outing at Chippewa Lake, July 11. Among the speakers will be J. A. Lloyd, secretary of the Ohio association. Mr. Lloyd also will speak at a meeting of the Lima association July 25.

### Upper Peninsula Meeting

The upper peninsula agents of Michigan will hold their annual meeting this year at Menominee. Fred A. Roper is chairman of the arrangements committee.

Mr. Roper had a conference with some of the upper peninsula men at Escanaba to map out the program. The date of the meeting is Aug. 6.

### Wichita Insurers' Outing

WICHITA, KANS.—Over 200 attended the annual outing of the Wichita Insurers, including a number of company representatives, adjusters and public officials. C. K. Foote, general chairman, conducted a program of sports and contests during the afternoon, followed by a fried chicken box supper.

W. G. Studebaker, Jr., of the Miller-Studebaker General Agency, Topeka, won the horse shoe tournament. The baseball game between the "Rebaters" and "Commission Splitters" ended in a tie. Shelby Holmes of the Royal group and Don Reed of the Paul C. Yankey agency headed the two teams. Ralph Mills of the Kansas Inspection Bureau won the pie eating contest. Employees and their families were guests.

A. E. Smoll, former president of the Wichita Insurors, who is recovering from an appendix operation, missed the annual outing for the first time in years.

### Rounds Out Half Century

MINNEAPOLIS—Barney & Barney, Minneapolis agency, this month rounded out half a century in business, with the third generation now identified with the agency.

### Kansas Dates Changed

Dates for the convention of the Kansas Association of Insurance Agents have been changed to Oct. 5-7 with the Lassen Hotel in Wichita as convention headquarters.

### Zanesville B. D. Session

At the Business Development meetings at Zanesville, O., G. M. Giles, Springfield Fire & Marine, was chairman and R. B. Sherman, Northern of England, vice-chairman. C. F. Eagle, American of Newark, discussed "Engineering and Research," and M. F. Johnson,

United States Fire, talked on "Non-Stock Organizations." "Sales Pointers for Special Fire Lines" were given by Mr. Sherman and J. W. De Cessna, Queen, talked on "Cooperatives." R. J. Harney, Royal, had for his theme "High Pressure and Flat Tires."

### Meeting at Ashtabula, O.

Wallace Rodgers, assistant manager Western Underwriters Association, addressed a meeting, sponsored by the Ashtabula, O., Insurance Board under the Business Development program. There were many field men present. F. E. Greene spoke on "Research & Engineering." Bert O. Evans gave a talk on "Cooperatives" and R. A. Elder of Ashtabula discussed "Mutual Life vs. Mutual Fire." R. J. Harney of the American was also on the program. The following composed the committee on arrangements: G. E. Harmon, chairman; F. L. Robshaw, C. O. Gudmundson and F. R. Sullivan, all of Ashtabula; C. B. Carr, Conneaut, and Park Kimball, Painesville.

### Will Liquidate a Mutual

The Illinois department has filed a petition in the Sangamon county circuit court of Springfield to liquidate the Murphysboro (Ill.) Mutual County Fire.

The Fidelity Securities & Investment Co., has been incorporated by V. E. Mikkelsen, E. L. Duemke, C. L. Swanson, Emil Gustafson and H. A. Johnson to conduct a general insurance agency in Minneapolis.

## Virginia Chief



J. D. EWELL

J. D. Ewell of Richmond was elected president at the annual meeting of the Virginia Association of Insurance Agents held at Hot Springs, Va.

ters which may arise. He also referred to the raising of state dues from \$5 to \$7.50 and the making of state and National association membership coextensive.

H. M. Van Auker, San Antonio, chamber of commerce manager, told his experiences in connection with efforts of mutuals and reciprocals while connected with the Wichita, Kan., chamber of commerce, and paid tribute to the services rendered by the stock companies and their agencies.

W. T. Gallaway, San Antonio, branch manager Fire Companies Adjustment Bureau, thanked the members of the exchange for their cooperation in claim work. He said he had mailed in to the companies about 6,900 claims from April 7 to June 7 and that probably 10,000 claims averaging about \$45 were adjusted as the result of the two hail storms that struck this territory.

Secretary F. F. Ludolph said few complaints have resulted from changes in automobile and fire insurance rates. President W. R. Levy appointed a committee to draw up resolutions on the death of R. E. St. John of the Hall, St. John & Walter agency.

Fred Felty, Bexar county representative, said that if all those whom he served kept him as well informed as the chairman of the legislative committee of the Texas Association of Insurance Agents, his duty would be much clearer.

### Hail Writing Companies Are Pelted in Two States

Hail writing companies have been pelted in Texas and Oklahoma almost beyond recognition. Companies will make no money in these two states although the premiums show an increase this year. The storms have been numerous and heavy. Most companies already show a deficit. Undoubtedly the cold weather and freeze after wheat had gotten a good start added to adjustment complications. In many localities there is black rust and wheat stalks in ripening are white rather than gold. This is attributed to the freeze. Furthermore the freeze had the effect of weakening the stalks. Companies have had to shift adjusters from various sections to Texas and Oklahoma to take care of the multitude of claims.

### Two for Abolishing Board

OKLAHOMA CITY — Two of the three members of the Oklahoma insur-

ance board agree that the board should be abolished. For several years Commissioner Read, president of the board, has been advocating this move and was instrumental in having a bill to that effect introduced in the last legislature. Now Secretary Avery C. Moore comes out with a statement advocating its abolishment and consolidation of all state insurance regulation activities under a single head. He urges this change despite the fact that it would do away with his job.

Mr. Read estimates that a saving of \$3,000 could be effected by consolidation, with a 25 percent increase in efficiency. He proposes that the board be maintained for rate making exclusively.

### D. W. Sleeper Resigns

D. W. Sleeper of Dallas, manager of the Insurance Audit & Inspection Co. of Indianapolis, at its office there, has resigned. The company has arranged for a representative at Dallas.

### Service Office in Operation

The Royal-L. & L. & G. service office at Atlanta will keep in contact with the southern field following the removal of the southern department to New York. The service office is in the Hurt building. John M. Harrison will be in charge, he having been connected with the southern department in various capacities for some 18 years. He was in the marine and automobile underwriting department and also had some loss work. Then he was appointed agency secretary. He organized the Georgia Insurance Federation. E. D. Schane, special representative in the southern de-

## IN THE SOUTHERN STATES

### Issues Over State Insurance

#### Stutson Smith of Nashville Combats Claims Made by Chattanooga Agents as to Political Preference

Considerable uproar has been caused by the Chattanooga Insurance Exchange declaring that the insurance on state property was going through political channels and not to regular agents. Stutson Smith, head of the Stutson Smith Agency with office in the Cotton States building at Nashville, in a letter to Governor Browning denies that Mrs. Luke Lea, wife of the former United States senator and a conspicuous politician in days gone by, received commissions on state insurance. Mrs. Lea, he stated, made application for the state insurance business with Commissioner Edwards in charge of that department but withdrew her application. She did so at the insistence of her husband. In 1934 Mr. Smith said, Mrs. Lea got an agent's license as she felt it was necessary for her to earn a livelihood. She was engaged in the general insurance business, he said, placing all her insurance through the Smith agency. He said that she has not received any insurance from the state. Stutson Smith himself, he said, got the commission.

The charge made from Chattanooga was that Mrs. Lea, who is a solicitor in the Smith agency, placed \$508,700 state insurance, the Pacific National Fire getting the business. Mr. Smith said that he had John Holmes of the Pacific National assisting him for a month in shaping up the state business.

### Seeks Louisville Reclassification

LOUISVILLE—In a letter to G. H. Parker, manager Kentucky Actuarial Bureau, Mayor Scholtz of Louisville commented on a rumored reduction in dwelling house rates of insurance, and argued for reclassification of Louisville rates, especially as regards dwellings. The mayor asked Mr. Parker for figures on dwelling house experience in Louisville.

It recently became known that a new dwelling house schedule is a possibility for Louisville, where experience has been relatively good on this class.

### Program for Florida Course

#### Attendance of 500 Anticipated at Fire-Casualty Short Course in Hollywood July 5-8

JACKSONVILLE, FLA.—Secretary A. C. Eifer of the Florida Insurance Agents Association, just back from a trip over the state, is expecting 500 at the association's second annual insurance school at Hollywood, Fla., July 5-8. L. P. McCord is general chairman. Registration last year was 368.

The official announcement is in the form of a standard fire policy, signed by O. M. Stallings, president.

Subjects to be covered include general fire and casualty lines, use and occupancy, general cover contracts and inland marine, extra expense, planned production, personal accident, office service, selling public liability and lessons from the Gainesville, Ga., fire. Forums will be held after each talk.

### Subjects on Program

Other subjects are agency office management, selling by analysis and survey, fiduciary bonds, liability forms and rating, burglary.

President C. F. Lipscomb of the National Association of Insurance Agents will speak the evening of July 7 over phone and loud speaker from Poland Springs, Me. Dr. Pierce Harris, Methodist pastor of Jacksonville, will give inspirational address, and then there will be a practical talk on how to find machinery and steam boiler business.

An open forum, with review, will be held all day Friday.

### San Antonio Exchange Told of Texas Changes

SAN ANTONIO, TEX.—At a luncheon meeting of the San Antonio Insurance Exchange, F. C. Gittinger, vice-president Texas Association of Insurance Agents, told of changes which have been made with regard to the secretary's office in Fort Worth and said the changes will enable the secretary to have greater freedom and permit him to devote more time to legislative mat-

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partment, becomes assistant manager and will make his headquarters in the Atlanta service office.

### Announce Texas Committees

D. A. Clark of Sweetwater, president Texas Association of Insurance Agents, has announced his standing committees. Mr. Clark will act as chairman of the conference committee, assisted by J. H. Chiles, Jr., Austin; A. D. Langham, Houston; J. R. Morris, Texarkana, immediate past president, and Cruger T. Smith, Dallas.

M. J. Miller, Fort Worth, is general chairman of the casualty and surety committee with A. H. Bevan, Houston, heading the bond sub-committee, and Davis Stribling, Waco, compensation.

Mitchell Ragland, Paris, is chairman of the rates and form committee.

### White Takes Helena Post

HELENA, ARK.—H. W. White, formerly of Paragould, newly appointed manager insurance department, Guaranty Loan & Trust Company, has arrived in Helena to assume his post. He succeeds W. J. McMullen, who went with the St. Paul F. & M. group at Jackson, Miss., to travel the state. Mr. White, a native of Paragould, for five years has operated an agency there.

### Seek Fire Prevention Bureau

NEW ORLEANS — A proposed city ordinance to establish a modern fire prevention bureau was approved by directors of the association of commerce. It would be operated under supervision of the safety commissioner and the chief engineer of the fire department.

J. H. Bodenhiemer, chairman of the fire prevention committee of the association, reported to the board that such a bureau could serve as a centralizing agency for all interests in the city now working on fire prevention projects. Such a bureau was established in 1930,

but was discontinued after a few years of restricted operation.

### Mississippi Rate Report

JACKSON, MISS.—When the Mississippi legislature meets in special session early next month, it is expected the committee previously appointed to study rate making by fire and casualty companies will submit its report.

### Argue Distillery Rates

LOUISVILLE—Both sides were ordered to file briefs following hearing before the department of fire prevention and rates, in a rate controversy of the Kentucky Distillers Association, agents and company interests represented by G. H. Parker, Kentucky Actuarial Bureau. The distillers are arguing for low rates and charge certain discriminations. They contended a frame metal clad warehouse should pay the same rate as a brick wall warehouse, because wood rickling is used in both, and in either event the exterior walls are merely curtain walls. Mr. Parker contends the frame metal clad is subject to outside exposure such as grass fires, trash fires, etc., which can set wood on fire around the foundation level, whereas fire of such types does not get through a brick wall. On experience the distillery risks have not been profitable, and according to Mr. Parker distillery interests have been fortunate in not having suffered an increase in rates.

### Southern Notes

Marianne Looney has purchased the Covey agency at Ponca City, Okla. She has been secretary of M. V. Covey, former owner, who retired because of ill health.

A. G. Stamps of Earle, Ark., has sold his interest in the United Insurance Agency to J. K. Shepherd, Little Rock, general agent.

James Elgin, 81, retired Sharpsburg, Ky., local agent, died at St. Petersburg, Fla. His daughter, Mrs. Stanley Reed, is wife of the U. S. supreme court justice.

## PACIFIC COAST AND MOUNTAIN

### San Francisco Bankers Group Elects Birkholm Chairman

SAN FRANCISCO—N. J. Birkholm of the brokerage firm of Grant-Birkholm & Co., was elected chairman of the governing committee and executive committee of the Society of Insurance Brokers of this city at a meeting following the semi-annual meeting. He succeeds F. M. Hohwiesner, who has served in that capacity—which is equal to presidency in most organizations—since the society was organized two years ago.

Fred W. Boole, Jr., head of the firm of the same name, was elected vice-chairman of the two committees—it being the practice that the chairman and vice-chairman of the governing committee becomes the chairman of the executive committee which reports to the former.

Other committee chairmen named by the governing committee are, constitution and rules: H. M. Hansen; finance, J. G. Levison; workmen's compensation, H. M. Hansen; license, G. H. Pollack; legislative, J. V. Meherin; membership, C. W. Battle; rules and rates, R. L. Rowley.

### Gets London & Provincial

SAN FRANCISCO — The Victor A. Montgomery General Agency has been named general agent of the London & Provincial for California. The company heretofore has been in the Jensen & Kessler office. The agency already represents the Columbia of the Phoenix of London group.

### James Cairns is Honored

James Cairns, special agent Hartford fire and casualty companies in southern California, was presented with a trophy

at the U. S. junior chamber of commerce convention in Oakland. Mr. Cairns accepted the plaque as president of the chamber and chairman of its fire prevention committee. Presentation was made in recognition of the outstanding showing made by the committee during the past year.

### Oregon Local Agents' Meeting

The Oregon State Agents Association will hold its annual meeting at the Benson Hotel, Portland, Aug. 18-20. George W. Haerle heads the program committee; Addison Knapp, the registration and hotel committee; J. T. Goodman, entertainment and golf, and John C. Sturm, publicity and attendance.

### Lewis Is Denver Visitor

DENVER—William A. Lewis, manager of the New Zealand and South British in San Francisco, visited Denver, conferring with Herbert Johnson, special agent for both companies.

### Hold Wyoming Fire School

The Wyoming fire school and tournament was held in Cheyenne. L. A. Barley of the Mountain States Inspection Bureau was in charge of the fire classes.

### Wickard Tours Wyoming

DENVER—Fred E. Wickard, superintendent inland marine department of the North British group, toured Wyoming for two weeks with Carl Rutledge, state agent.

### Hail Losses at High Mark

DENVER—Several additional adjusters have been assigned by R. M. Hill, manager Fire Companies Adjustment Bureau, to the temporary office in Colorado Springs. Ten adjusters and two

girl secretaries have been required to handle hail losses, which are on a par with the all-time high recorded in May, 1935.

### Santa Monica Agents Elect

The Santa Monica (Cal.) Association of Insurance Agents has elected these officers: President, R. L. McLean; vice-president, R. R. Keeler; secretary-treasurer, P. G. Spriggs; directors, W. G. Thornbury, Carl Tegner, E. P. Rines, R. R. Keeler, Ira Wheeler, R. L. McLean and P. G. Spriggs.

### Colorado Meeting Sept. 9-10

DENVER—The annual meeting of Colorado Association of Insurance

Agents will be held in the Congress Hotel, Pueblo, Sept. 9-10. R. D. Voss, special agent Stock Company Association, Omaha, will be a speaker.

### Outside Fire Service Barred

SALT LAKE CITY.—A city in Utah cannot contract to use its fire equipment to fight fires in other cities or towns, the attorney general holds. He says the Utah constitution prohibits a city from entering into contracts to furnish service outside its city limits.

L. J. Houck and Katherine F. Diffley have formed the Houck Agency in St. Paul and have taken over the membership in the St. Paul Insurance Exchange formerly held by the Perry-Fry Agency.

## EASTERN STATES ACTIVITIES

### New Setup Effective July 1

All Obstacles to Merger of Old Rating Organizations in New England Are Now Removed

BOSTON—Signatures to releases having been secured from the 72 members and companies of the Boston Board, it will on July 1 actually be merged with the New England Fire Insurance Rating Association, along with the Providence Board and the New England Insurance Exchange, under a leasehold to run for a term of three years from May 2, 1938. Unless two-thirds of the members of the board vote on or before Nov. 1, 1940, to cancel the lease, all the rating facilities and property of the board will pass directly and permanently into the possession of the new organization.

### May Seek Legislation

A supplemental agreement, not a part of the lease, provides that the board of governors of the association is on record as in favor of an early change permitting the establishment of "no common interest" classifications by special rating jurisdictions and will urge prompt legislation in that respect.

There are to be three divisional organizations to be known as the Boston District, New England Division and the Providence Division, conforming to the present boundaries of those boards except that the Boston Division will include metropolitan as well as corporate Boston. Conference committees are to be provided for each of the three principal divisions, with regional conference committees in addition for each of the states represented.

### Hunt Warns Mutuals on Issuance of "Cash" Policies

NEW CASTLE, PA.—Life insurance is facing a federal investigation because it has departed too far from the original purpose of insurance, Commissioner Hunt said in an address before the Pennsylvania State Association of Mutual Insurance Companies here. He warned his hearers to avoid falling into the same error.

"Insurance was originally the banding together of a group of people for their mutual protection against individual disasters of various kinds," he said. "It is necessary, of course, that some of its forms be operated on a vastly larger scale than in earlier days. Not only has it grown in size, however, but it has lost sight in many cases of the entire idea of mutual protection."

He advised the convention, representing mainly Pennsylvania fire and casualty mutuals, to avoid issuing so-called cash policies as not being in keeping with the mutual character of the organization. The only necessity other than a distribution of losses among the policyholders, he said, is the creation of proper

reserves to guard against unusual catastrophes.

Presence of specialists in insurance and other important branches of present-day economic life on legislative bodies would aid greatly in solving these problems, he added.

### Beaver County, Pa., Election

J. W. Doncaster, well known Rochester agent, was elected president at a meeting of the Beaver county, Pa., Association of Insurance Agents in Rochester. Other officers are: First vice-president, C. R. Kerr, Ambridge; second vice-president, O. H. Locke, Monaca, and secretary-treasurer, H. H. Blackwood, Beaver Falls. At a dinner Herbert Nickels, assistant manager Pittsburgh branch U. S. F. & G., spoke on "Embezzler—Greatest Enemy of Business."

### Honored for 25 Years Service

George E. Fisher, head of G. E. Fisher & Co., Brockton, Mass., has been presented a parchment scroll by A. C. Mason, Jr., special agent Crum & Forster, to commemorate Mr. Fisher's 25th anniversary as an agent of the United States Fire.

### Merger Act in New Jersey

The governor of New Jersey has signed the bill to permit the merger of domestic and foreign companies, amendments being made to the law. Merging companies must comply with all the requirements of the New Jersey law and those of the state in which the outside company is domiciled.

### Henry Heads Fitchburg Mutual

W. W. Henry, vice-president and a director of the Fitchburg Mutual Fire, has been elected president to succeed the late F. W. Porter. He has been associated with the company since 1920 and has been vice-president since 1934.

Secretary W. Bruce Adams was elected vice-president and general manager and also will continue as secretary. He was made assistant secretary in 1924 and secretary in 1924.

### New Jersey's Collapse Law

The New Jersey legislature has amended the law to permit the writing of insurance against collapse of buildings.

### Vermont Local Agents' Meeting

The date for the annual meeting of the Vermont Association of Insurance Agents has been set for Sept. 15 at Fairlee. The meeting will be held at Lake Morey Inn on Lake Morey.

### Opens Service Department

WASHINGTON, D. C.—The Home has leased extensive quarters here as a service department and for the guidance of its representatives from any section of the country who may visit the national capital either for business or for purely

personal reasons. The office will be under the general supervision of G. E. Allen, whose resignation as commissioner of the District of Columbia to be come vice-president and public relations counsellor for the Home was announced some six weeks ago. He will actively assume the duties of the post Sept. 1, dividing his time between Washington and New York City, and maintaining an office in each center.

#### Utica Club to Adirondacks

The Insurance Agents Club of Utica, N. Y., together with many field men of fire and casualty companies enjoyed the club's annual summer party at Hollywood Hills hotel in the Adirondacks near Old Forge.

#### New England Exchange Outing

The annual outing and monthly meeting of the New England Insurance Exchange was held at Rye Beach, N. H., with a large attendance. In the golf tournament Henry Fieldner, North America, Hartford, won the Goddard

cup with low gross of 79. A. J. Woodward, New Hampshire Fire, had second low gross and R. K. Ives, Aetna Fire, and I. H. Worth, Liverpool & London & Globe, tied for third. John Heltzen, Hartford Fire, won the handicap tournament with C. A. P. Johnson, Travelers, second.

Elected to active membership were James Baldrich, Providence, Girard Fire & Marine; H. W. Andrews, Boston, Scottish Union & National; J. V. Farmer, Portland, Agricultural, and F. G. Siewers, Hartford, Liverpool & London & Globe. The resignation of E. S. Oppenheimer of Springfield, formerly with the Agricultural, was accepted.

#### Syracuse Exchange Outing

The summer outing of the Syracuse (N. Y.) Underwriters Exchange was held at the Skaneateles Golf Club Monday with golf in the afternoon and dinner at 6:30. Members of the Syracuse Field Club were invited to attend. Arrangements were in charge of Stuart Raleigh, president of the exchange.

## IN THE CANADIAN FIELD

### Copyright Change Rejected

#### Unanimous Report Against Bill to Allow Non-tariff Companies to Use Goad's Plans

OTTAWA—The commons banking and commerce committee adopted a unanimous report against a bill to amend the copyright act which was sought by non-tariff fire insurance companies of Canada.

The bill would have enabled the secretary of state to require the Underwriters Survey Bureau, organization of tariff fire companies, to make available to non-tariff companies Goad's plans of buildings in practically every Canadian urban center.

The plans, originally drawn by Charles Goad, since brought up to date by others, are copyrighted and the copyright owned by the Survey Bureau. The non-tariff companies maintain that refusal of the bureau to make the plans available to them has put them in an unequal competitive position.

They sought to achieve their purpose through a general amendment to the copyright act that would have enabled the minister "to protect the public against the abuses of executive rights conferred on copyright owners by the act." It would have provided for compulsory licensing powers.

#### Fire Prevention Meetings

The Association of Canadian Fire Marshals and the Dominion Fire Prevention Association will hold their annual meetings at the Chateau Laurier Hotel, Ottawa, July 18-19. It is hoped that E. W. Fowler of the National Board and F. B. Watkins, fire marshal of West Virginia and chairman of the fire marshals' section of the National Fire Protection Association, will be present and speak.

#### New Hail Insurance Plan

CALGARY, ALTA.—A new plan of insurance entirely different from the old municipal hail insurance act is proposed under the new Alberta hail insurance board. The new proposal is a non-profit plan, offering the grain grower protection against loss or damage by hail at a rate consistent with the average loss experience over the last 18 years. The board has zoned the province and has fixed premiums of 2, 6, 7, 8, 9, 10 and 12 percent, according to zones. F. A. Hennig of Calgary has been named manager. J. G. Elder, also of Calgary, former treasurer of the municipal hail insurance board, is secretary-treasurer.

At the time of application a \$5 cash policy fee is collected and the balance secured by a lien on the crop. If the crop

is destroyed by some other cause than hail, the board has a continuing lien on future crops for three years.

#### To Study Insurance Problems

MONTREAL — At the first meeting of the insurance commission of the chamber of commerce, three sub-committees to study life, fire and automobile problems were formed. Compulsory automobile insurance, workmen's compensation and other problems will be examined by the committees. L. E. Parizeau was elected president of the commission.

#### Must Separate Questions

TORONTO.—Superintendent Mc-Nairn of Ontario as chairman of the committee on automobile forms of the Canadian Association of Superintendents of Insurance, has advised companies writing automobile insurance in Canada that questions asked applicants for automobile insurance that are not part of the standard signed application must be distinguished from the standard questions. Additional questions must be under a heading stating that the information is required for rating and underwriting purposes only and do not form part of the application. These additional questions must not be under the signature of the applicant. They may be embodied in an agent's report and signed by the agent.

## MARINE

### Report Made on "Lafayette"

#### Some Causes That Led to the Heavy Loss on the French Steamer in Dry Dock

The French minister of merchant marine appointed a committee to inquire as to the cause of the fire on the "Lafayette," the French steamer which was burned while in dry dock at LeHavre. In its report the commission states that the inception of the fire was accidental but that a number of exceptional circumstances combined to make the fire serious. It started when an oil burner was lighted and a spark ignited a small quantity of oil on the floor. A short circuit put the pumps out of action for some time. Within 10 minutes the fire had become so intense that it was only possible to fight it from the outside, which was very difficult considering the ship was in dry dock. The greatest loss fell on English companies and since the French franc has depreciated substantially since the insurance was effected,

underwriters can discharge their liability at a much lower figure than would otherwise have been possible.

#### Issues All-Risk Booklet

A 12-page booklet, "The Care of Precious Gems, Jewelry, Silverware and Furs," has been issued by the marine department of the Fireman's Fund companies. While obviously the booklet is issued to sell "all-risk" inland marine lines, the copy, which describes the proper home care of precious gems, silverware and furs, is so handled that under each major heading only a few words are used to call the reader's attention to the need of insurance. The idea is rather that insurance coverage comes under the proper care of these luxuries.

### Minnesota Field Meeting Attended by Many People

(CONTINUED FROM PAGE 4)

Home, Mayor Wallin of Glenwood spoke and R. L. Hanson, Liverpool, London & Globe, supervisor of contests, awarded the following prizes:

**Archery**—First, F. S. King, Minneapolis, manager Underwriters Adjusting; T. V. Berwald, Travelers Fire, and E. J. Lorenzen tied for second.

\* \* \*

**Fishing**—Ralph Tyler of Nettleton & Tyler, largest bass; Louis Jungbauer, Fire Underwriters Inspection Bureau, St. Paul, heaviest string of bass; and L. L. Law, London Assurance, largest string of pike.

\* \* \*

**Golf**—Dean Perry, Fire Association, first; Frank Beasley, Phoenix of Hartford, second.

\* \* \*

**Clock Golf**—Phil Bauman, adjuster, N. G. Low Co., first, with a record score of 18 for 12 holes; George Van Wagenen, National Union, second, Philip Olson, Firemens, third.

\* \* \*

**Ping Pong**—Class A, Ted Harper, Great American, first; Wayne Barr, second; Class B, E. H. Johnston, America Fore, first; L. A. McIntyre, Springfield Fire & Marine, second; Class C, David White, Home, first; Walter Hanson, Home, second.

\* \* \*

**Rifle Shoot**—S. W. DeWaard, City of New York, first; G. S. Hansen, Rain & Hail Insurance Bureau, second, and Allan L. Miss, Western Adjustment, St. Paul, third.

\* \* \*

**Trap Shoot**—Class A, C. R. Till, Sun, first; Gene Griswold, Accident & Casualty, second; Class B, August Quast, Baumann & Gordon, first; J. Jones, adjuster America Fore, second.

\* \* \*

**Shuffle Board**—George Blomgren, Security, first; Oscar Bergeson, Fire Underwriters Inspection Bureau, second; H. C. Gross, North America, third.

### Gregg Named Head of Illinois Fire Underwriters

(CONTINUED FROM PAGE 5)

could not pay losses unless they received the premiums due them. It is the field man's job to make this collection. Credit should not be over-extended, he warned. The field man is the agent's worst enemy when he permits undue credit. Mr. Henne noted some slackening in the problem recently.

The Business Development program was discussed on both days. This work in Illinois has been under direction of A. A. Knopp, New York Underwriters, Chicago, who was warmly praised for the fine job that was done. D. J. Harigan, St. Paul F. & M., Chicago, was elected general chairman of the B. D. unit.

The main B. D. session was held the second morning, Chairman Knopp pre-

siding. He said the number of B. D. meetings so far this year in Illinois has been 31, with total attendance 1,859, an average of about 60. It is a process of self-education, he said, that also is correlating more business for stock companies than anyone ever dreamed could be done. And this is being accomplished without apologies, he commented.

Leo N. Davis, North America, Chicago, as chairman of a special committee reported on President Sundlof's address. He noted the fair and impartial interpretation of insurance laws by Insurance Director Ernest Palmer. The committee, he said, concurred in the executive committee's action divorcing the B. D. unit's officers from officers of the association. At first the vice-president automatically took charge of the B. D. program, but it then was felt the work was so important that the ablest member should be selected to head up this activity. Mr. Davis also commented that clearance of agencies in Illinois was highly important.

### Random Jottings Made at Illinois Field Men's Meet

(CONTINUED FROM PAGE 7)

Jettinghoff tying for second low putts. Jettinghoff winning the draw. Mel LePitre won guests' low gross with 83.

\* \* \*

**Friendly rivalry** arose over the post of vice-president. The administration candidate, J. P. Fellows, Fireman's Fund, was nominated by J. Lewis Cassell. However, it was thought desirable to have a contest for the post. B. F. Peters, Royal-L & L & G., was "campaign manager" for Henry O'Loughlin, and placed him in nomination. Mr. O'Loughlin won by a plurality of three votes. Undoubtedly Mr. Fellows will be placed in line for the post next year. He has had long, comprehensive experiences in all branches of the fire insurance business and is a very valuable man in the association. Both men are held in high regard by all the members.

### Mutual People in Action to Strike at Stock Folk

(CONTINUED FROM PAGE 7)

the chamber of commerce in Fort Worth said the commercial body needed the space occupied by the Fort Worth Insurance Exchange and the Texas Association of Insurance Agents for other purposes. The Fort Worth chamber denies serving an "ouster" notice on the exchange.

It is pointed out by insurance men that the state association headquarters were in the Fort Worth Insurance Exchange offices because D. G. Foreman is secretary of the state organization and manager of the exchange, and that naturally the state association headquarters followed the exchange in moving out. But it is also pointed out that the state association had limited its membership to stock company representatives before the Fort Worth Exchange made the move, and that some insurance men, high in the councils of the Fort Worth chamber of commerce, were denied memberships in the state association because of their mutual affiliations. Hence the insurance fraternity of Fort Worth closely in touch with the situation declares the "ouster order" was directed at both organizations as a "revenge" move.

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Representing Gen. Acci. Fire & Life Assur.; Commercial Casualty; United Services Auto Assoc.; Ohio Casualty; Government Employees Ins. Others on request.  
Equipped for investigations and adjustments throughout New Mexico.

## NEW YORK

**AINSWORTH & SULLIVAN**  
75 State Street  
Albany, New York  
Represent: Fire Companies' Adjustment Bureau, Inc.; Employers' Group; The Fidelity & Casualty Company of New York; Hartford Accident & Indemnity Co.; Hardware Mutual Casualty Co.; Western Insurance Companies; others on request.  
Trials and investigations in Eastern New York.

**LEE, LEVENE, O'BRIEN & KRAMER**  
TRIAL LAWYERS  
310 Security Mutual Bldg.  
BINGHAMTON, NEW YORK  
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## NEW YORK (Cont.)

### WILLIAM LURIE

291 Broadway, New York City

American Surety Co. of New York, New York Casualty Co., Loyalty Group, Seaboard Surety Co. Equipped for Investigations.

### PLATOW, LYON & STEBBINS

60 Broad Street  
New York City

Defense attorneys for marine and casualty underwriters. References upon request. Equipped for investigations.

### NAYLON, MAYNARD & SMITH

505 State Street

Schenectady, New York

General Insurance, investigations and litigations.

### MACKENZIE, SMITH & MITCHELL

821 Onondaga County Savings Bank Building, Syracuse, New York  
Aetna Insurance Co. Group, Mass. Bonding & Ins. Co., Associated Indemnity Ins. Co., Fire Co.'s Adjustment Bureau and others on request. Equipped for Investigations

## NORTH CAROLINA

### J. MELVILLE BROUGHTON

William H. Yarborough, Jr., Associate  
581-595 Lawyers Building  
Raleigh, North Carolina

General Counsel: Atlantic Fire Ins. Co.; No. Carolina Home; Local Counsel: Travelers Group; Employers Group; Ocean Acc. & Ind.; Amer. Surety; Liberty Mutual and Others.  
Trial Work, Investigations and Adjustments

## NORTH DAKOTA

### NILLES, OEHLERT & NILLES

584 Black Bldg.

Fargo, N. D.  
Continental Casualty Co., Standard Accident Insurance Co., Home Indemnity Co., St. Paul Mercury Indemnity, Insurance Co. of N. A. Represent Western Adjustment and Inspection Co.  
Equipped to handle investigations and adjustments in southern North Dakota.

### BANGS, HAMILTON & BANGS

215 South Third Street  
Grand Forks, N. D.

National Surety Corporation, Fidelity Casualty Co., Hartford Accident & Indemnity Co., and others as request.  
Equipped for investigations, adjustments in all northern North Dakota.

## OHIO

### BULKLEY, HAUXHURST, INGLIS & SHARP

638 Bulkley Building  
Cleveland, Ohio

Fireman's Fund Ins. Co., American Insurance Co., Bankers Indemnity Ins. Co., Globe Indemnity Co., Continental Casualty Co., London Guarantee & Accident Co., Ltd.

### FOOTE, BUSHNELL, BURGESS & CHANDLER

1250 Terminal Building  
Cleveland, Ohio

Metropolitan Life Insurance Co., Medical Protective Co., Hartford Accident & Indemnity Co., Western Insurance Co., Columbia Casualty Co., Ocean Accident & Guarantee Co.

## OHIO (Cont.)

### JOHN H. McNEAL

and  
HARLEY J. McNEAL

502 Auditorium Bldg., 1367 E. 6th St.  
Phone Main 1926 CLEVELAND

Attorneys-at-Law  
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

### HEDGES, HOOVER AND TINGLEY

8 East Long Street  
Columbus, Ohio

Fireman's Fund Indemnity Co., Massachusetts Bonding and Ins. Co.  
Equipped for investigation and adjustments.

### PICKREL, SCHAEFFER, HARSHMAN & YOUNG

Gas & Electric Building  
Dayton, Ohio

Hartford Accident & Indemnity, Fireman's Fund, Fidelity & Casualty, Western Ins. Group, Bankers Indemnity.  
Investigation and Adjustment Department.

### LOGAN & BRADLEY

408 Home Bank Building

Toledo, Ohio

### WILLIAM E. PFAU

710 Union National Bank Building  
Youngstown, Ohio

Continental Casualty, American Motorists, New Amsterdam, Royal, Standard S & C, Buckeye. Many others on request.  
Equipped for investigations and adjustments. Defense trial—all insurance cases.

## OREGON

### WILSON S. WILEY

608-609 Oregon Bank Bldg.  
Klamath Falls, Ore.

Defense trial of all insurance cases State and Federal Courts.  
Equipped for investigations.

### DEY, HAMPSON & NELSON

800 Pacific Building  
Portland, Oregon

Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

### McCAMANT, THOMPSON, KING & WOOD

American Bank Bldg.  
Portland, Ore.

Mutual Life Ins. Co. of N. Y., Union Central Life, New Amsterdam Cas., Commercial Casualty, Sun Indemnity.  
Equipped for investigations, adjustments of claims.

## PENNSYLVANIA

### MOORHEAD and KNOX

1732 Oliver Building  
Pittsburgh, Pa.

Equipped for Investigations.  
Defense of Insurance Companies in State and Federal Courts.

### THORP, BOSTWICK, REED & ARMSTRONG

Grant Building  
Pittsburgh, Pa.

Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (same name), others on request.  
Investigations.

## RHODE ISLAND

### SHERWOOD & CLIFFORD

1583 Turks Head Building  
Providence, R. I.

General Counsel: Factory Mutual Liab. Ins. Co., and Automobile Mutual Ins. Co. of America.  
Rhode Island Counsel: Employers' Liability, Century Indemnity and others.  
Investigations, Adjustments and trial of all cases.

## SOUTH CAROLINA

### THOMAS-LUMPKIN & CAIN

1008-7 Central Union Building  
Columbia, South Carolina

Specializing in Fire, Casualty, Surety and Life.  
Trial of all cases.  
Equipped for investigations and adjustments all over South Carolina.

## SOUTH DAKOTA

### BAILEY, VOORHEES, WOODS & BOTTM

Sioux Falls

Charles O. Bailey (1860-1928)  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottum

Howell L. Fuller Ralph S. Rice

### BOYCE, WARREN & FAIRBANK

355 Boyce Building  
Sioux Falls, S. D.

Hardware Mutual, Mutual Benefit Health & Accident, Northwestern National Casualty, Bankers Indemnity, London Guarantee & Accident.

## TENNESSEE

### MANIER & CROUCH

Baxter Bldg.—214 Union Street  
(Entire 4th Floor)  
Nashville, Tenn.

Preferred Accid.; U. S. Guarantee; Fireman's Fund; Allstate; St. Paul Mercury; Utilities Ins.; Employers Reinsurance; Central Surety; many others.  
For clients who have no local adjusters, we investigate, adjust claims as well as handle legal work anywhere in Middle Tennessee.

## TEXAS

### BROMBERG, LEFTWICH, CARRINGTON & GOWAN

Magnolia Building  
Dallas, Tex.

Representing New Amsterdam Casualty; Standard Surety and Casualty; St. Paul Mercury; American Automobile; Ohio Casualty; Western Casualty and Surety; General American Group. Others on request.

### CANTEY, HANGER & McMAHON

15th Floor, Sinclair Building  
FORT WORTH, TEXAS

Samuel B. Canney Samuel B. Canney, Jr.  
(1882-1924) Alfred McKnight  
William A. Hanger Gillis A. Johnson  
Mark Mahon B. E. Hanger  
W. D. Smith  
Investigations, Adjustments, Trial All Cases

## UTAH

### BADGER, RICH & RICH

604-610 BOSTON BUILDING  
SALT LAKE CITY, UTAH

Equipped for investigations, adjustments, trials.  
Representing Standard Accident, Sun Indemnity, Zurich, State Farm Mutual Auto., Western Casualty & Surety, Employers Mutuals, United Services Automobile Association, Glens Falls, Farmers Mutual Automobile and others upon request.

### STEWART, STEWART & CARTER

1105 Continental Bank Building  
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

## WASHINGTON

### BOGLE, BOGLE & GATES

603 Central Bldg.  
Seattle, Wash.

Oregon Mutual Life, Occidental Life, Bankers Life, Fireman's Fund, Home Insurance Co. (Marine), Pacific Indemnity (Surety), St. Paul Mercury Indemnity, Lincoln National Life Insurance Co.

### BYERS, WESTBERG & JAMES

310 Marion Bldg.  
Seattle, Wash.

Specializing in defense trial work of insurance companies. References on request.  
Equipped to handle investigations, adjustments and settlements on all insurance claims.

### GRINSTEAD, LAUBE & LAUGHLIN

1400 Dexter Horton Bldg.  
Seattle, Wash.

Fidelity & Deposit, Massachusetts Bonding & Insurance, Associated Indemnity, Globe Indemnity. Qualified to handle defense trial work of fire companies.

### SKEEL, McKELVY, HENKE, EVENSON & UHLMANN

(Formerly Roberts & Skeel)

INSURANCE BUILDING

E. L. Skeel Geo. Borington  
W. R. McKelvy D. M. Moon  
Harry Henke, Jr. Frederick V. Betts  
W. E. Evenson Edw. J. Brandmeir  
W. Paul Uhlmann Willard E. Skeel  
Frank Hunter SEATTLE

### H. EARL DAVIS

301 Sherwood Building  
Spokane, Washington

Representing the Columbia Cas., Ocean Acc. & Guarantee, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Casualty, U. S. Guarantee, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity.  
Equipped to handle investigations and adjustments and all types of insurance trial work.

### BURKEY & BURKEY

Puget Sound Bank Bldg.  
Tacoma, Wash.

Insurance clients given on request. Equipped for investigations and adjustments.

## WISCONSIN

### CROCKER & HIBBARD

363½ South Barstow St.  
Eau Claire, Wisconsin

Equipped for handling all insurance matters in this territory in State and Federal Courts.  
Reference: Western Adjustment and Inspection Bureau.

### NASH & NASH

Savings Bank Building  
Manitowoc, Wisconsin

Continental Casualty Co., The American Motorists, American Employers Group, Hardware Mutual Casualty Co., and others on request.  
Equipped for investigations, settlement of all insurance claims—this territory. Defense trial in State and Federal Courts.

### BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.  
Warner Building  
Milwaukee, Wisconsin

(Continued next page)



## Government Steps in Insurance Told by Murphy in Ohio

(CONTINUED FROM PAGE 3)

cal agents, who know the local situation, and he hoped the friendly contacts would be maintained. He was introduced by J. V. Patterson, Findlay, past commander American Legion.

Secretary Lloyd listed 34 state association activities in his report. The competitive problem presented by extended coverage endorsement deviation used by the Buckeye Union Fire was being studied and members were asked to report competitive situations in that respect to his office.

### Secretary Lloyd's Report

The last legislature made inadequate provision for the state fire marshal's office which July 1 would have been forced into ineffectiveness if the association had not succeeded in getting the board of control to award enough out of the emergency fund to last until Jan. 1. The fire marshal's office should be adequately financed or abandoned, eliminating a situation that has existed for the past 25 years, Mr. Lloyd asserted. The office is the "legal front for the war on arson."

The Ohio Association of Fire Underwriters and Ohio Fire Underwriters Association have been asked to appoint conference committees to meet with a similar committee of agents to discuss

common problems. Such committees have been appointed by the National Board, National Bureau of Casualty & Surety Underwriters and other company organizations.

A complaint was filed with the department against the Ohio Association of Independent Theaters' proposal to secure liability insurance for members in London Lloyds. Theater owners were fair when the matter was discussed and the plan was withdrawn. The license of the foreign broker who was arranging the coverage was canceled and the agent's license revoked. The agent has taken appeal to the Franklin county common pleas court and a temporary restraining order was issued. An attempt by the brewers' association to write its own products liability insurance is being investigated.

The association asked the U. S. attorney-general to continue inquiry into automobile financing, investigating alleged coercion and other matters. Mr. Lloyd said the foreign broker who handled the Commercial Credit and Universal Credit lines voluntarily canceled his license and did not know how the insurance was being handled.

The state bureau of inspection has been asked whether it is legal for a board of education, when one of its members is a member of the farm bureau, to purchase insurance in the farm bureau. A statute provides that a member of a board of education may not profit from his position.

Through effort of J. F. Schweer, secretary Cincinnati Fire Underwriters Association, who discovered funeral directors were studying a plan for cooperative insurance; and R. S. Tidrick, state agent Springfield F. & M., funeral homes are being rerated in an effort to head off the cooperative enterprise. Agents have excellent opportunity to discuss insurance with the 1,200 morticians in the state, Mr. Lloyd said.

### Notes Claim Problem

A problem was created in settling casualty claims where the P.D. carrier took release by deducting its portion of the collision policy, leaving the other company to pay the claim. Claim adjusters for different types of companies were called together and a committee appointed which will study the problem with a committee appointed by Superintendent Bowen of the Ohio department.

Nine rural agents' meetings sponsored by the association drew 357 attendance, 20 per meeting being the number anticipated when the plan was considered. In process of holding the meetings, a plan of mutual assessment companies to hold assessments down was discovered. Money was borrowed from a bank to pay losses and the loan was carried over to another year, although under the law all losses must be paid through assessments levied in the year in which the losses were incurred.

In all cases which the association has had up for review, the independent contractor status of solicitors has been upheld. A standard solicitors' contract shortly will be available.

L. C. Jones, Youngstown, vice-president and chairman surety committee, arranged for a conference of his committee and a group representing the Ohio Bankers Association to discuss the blanket bond situation, many banks having their bonds in London Lloyds.

Mr. Lloyd said "the worst was yet to come" from the legislative standpoint. In his opinion, no new taxes would be required for relief purposes since the President has been granted \$200,000,000 for direct relief.

### County Defense Councils

The association has perfected a system of county defense councils to contact legislators locally as a means of dealing with new tax legislation. Counties have been divided in three groups, depending on whether the local board is co-extensive or not. The councils are self-administering, having two members.

Mr. Lloyd said that the association

functioned like a smooth running machine for the protection of members in contrast to unorganized efforts in the past.

Mr. Spottke, who was introduced by Mr. Jones, declared the problem of rating private passenger automobiles had been studied many years before the safe driver reward plan was introduced. He said that it was desirable to differentiate between operators on the basis of driving records, but difficult to evolve a practical, suitable plan which would not be involved and complicated. Companies found experience on a number of so-called preferred classes was more unfavorable than on the less preferred, this fact mitigating against adoption of an occupational rating plan. It was, as well, difficult to differentiate between business and non-business use. Because of statutes in various states bearing on agency-owner relationships, a uniform operators' policy could not be adopted.

### Demand Constructive Acts

The chance of an accident occurring is twice as great on those who have had a previous accident, Mr. Spottke said. A 15 percent differential is a reasonable premium cost. Insurance companies should give some recognition to operators who go free of accidents year after year, he said. The safe driver plan is an inducement to safer operation of motor vehicles. The insurance business cannot stand complacently by in view of the accident situation.

Mr. Spottke said nothing in the plan savors of a dividend, the return being guaranteed regardless of overall experience the company might have. Companies have not developed the plan for the purpose of reducing commissions. The producer contributes but 8/10ths of 1 percent to the plan. The companies do not regard the plan as the ultimate of perfection, but improvements will be made as they can be worked out. According to Mr. Spottke, in 1918 the Cleveland rate for a Ford was \$45.50; today, despite the much greater driving hazards, the rate is \$4.50 less.

There were questions and a discussion of the safe driver plan. A speaker said in his opinion the plan would antagonize about 12 percent of his assured because in his office it has been found out of 250 claims paid, 49 were for \$5 or less and the persons with small claims would be denied the reward. Another stated if a reward plan were used for automobile insurance, assured would question why it was not used in other lines such as fire insurance.

### Jeffries Is Speaker

L. U. Jeffries, warden Ohio department, said the department succeeded in getting all renewal licenses in the hands of agents before expiration of old licenses. License applicants must answer all 25 questions asked in the examination and are given no option in answering questions, as formerly was the practice. The department is using the same questions, but is using the more difficult ones in the examinations. A solicitor now must have a grade of 75 instead of 70 to pass.

Mr. Jeffries was asked whether it was not contrary to law for an unlicensed person to take an agent to a farmer who was a prospect for insurance and after the insurance had been sold, ask for a fee. Mr. Jeffries said the department did not look with approval on such practices, but it was a difficult regulatory matter. It was moved the executive committee study the question.

B. E. Terman, secretary Mansfield board, asked what the opinion was on the Toledo resolution which approved a cancellation date falling on the last day of the month in which the policy was issued. Mr. Lloyd said his office was filing replies as they came in from over the state, but no tabulation had been made.

The association adopted a resolution thanking the Mansfield board for its well planned arrangements.

## Group Sessions for Convention in St. Paul Listed

(CONTINUED FROM PAGE 3)

of the Twin Cities.

While it is far too early yet to announce the intended program, close study is being given it with a view to arranging topics and speakers in keeping with the importance of the gathering. For the benefit of football fans it is announced that on the Saturday preceding the initial session of the association, the University of Minnesota will play the University of Washington, while on the afternoon of Oct. 1, the home university will battle the University of Nebraska.

It is just 30 years since the National association held a convention at St. Paul.

### HIG DELEGATION FROM COAST

ST. PAUL.—The general convention committee of the Insurance Exchange of St. Paul met this week to check over details in connection with the national convention in September.

It was announced that the King County Insurance Association, Seattle, is sending an automobile caravan of approximately 40 agents, who will also attend the Washington-Minnesota football game.

California is planning to send a delegation of 25 as a compliment to W. H. Menn, Los Angeles, chairman of the executive committee of the National association.

## Public Relations Now Emphasized

(CONTINUED FROM PAGE 4)

on successfully, he reported. There have been about 218 B. D. meetings with average attendance about 67, since the first meeting at Bloomington, Ill., Jan. 17, 1937. The newer sales program is under consideration in Elgin, Rock Island, Aurora, Quincy, Peoria, Alton and Danville, and has been approved at Decatur to be started soon.

It promotes the organization of local boards of agents, Mr. Rodgers said, for it can be put on most effectively only through a local board. The agents thus are benefited, especially since field men in a body are caused to work actively with the agents for the latter's interests.

On the third leg of the B. D. campaign, Mr. Rodgers said, special emphasis will be placed on execution of the organized sales campaign. It invariably has had success wherever it was undertaken.

"So far it has been purely a sales drive," Mr. Rodgers said, "but we expect to enlarge it to include public relations work. It also has been suggested that machinery be set up for more efficient handling of public property where this does not exist, and also for closer contacts with credit men. They are an important factor."

He said the work of research and study of questions asked, about court decisions on insurance matters, etc., would be continued. It is planned to launch the third phase of the work in the fall. The program so far has been largely internal, Mr. Rodgers said, the ground work having been done within the ranks. In the next year field men will be encouraged to talk to groups of business men.

Council Bluffs, Ia., first executed the organized sales campaign, Mr. Rodgers reported, all of the 22 men approached promising to give their business to stock companies. Shawnee, Okla., was next, the results being very successful and practical. Enid, Okla., and Hutchinson, Kan., followed suit with similar results.

Many Illinois local agents, he reported, are greatly interested in this work, seeing in it not only an opportunity to sell more policies, but also to identify themselves as professional men.

## INSURANCE ATTORNEYS

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### WISCONSIN (Cont.)

#### EUGENE L. MCINTYRE

Bender, Trump & McIntyre

605 Security Building

(213 West Wisconsin Ave.)

Milwaukee, Wisconsin

Western Ins. Companies of Fort Scott, Sun Indemnity, Central Surety & Ins. Corp., Employers Reinsurance Corp. Others on request. Fully equipped to investigate and adjust claims in Milwaukee and vicinity.

#### A. B. WELLER

Plankinton Building

Milwaukee, Wisconsin

Defense trial of all insurance cases in State and Federal Courts of Wisconsin.

#### WOLFE & HART

First Wisconsin Nat. Bank Bldg.

Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

#### BOUCK, HILTON, KLUWIN

& DEMPSEY

First National Bank Building

Oshkosh, Wisconsin

Employers Liability Assurance Co., Ltd., Fidelity & Casualty Co., Employers Mutual, Wausau, Wis., and others on request. Fully equipped to investigate and adjust claims in Oshkosh and surrounding communities.

### WYOMING

#### HARRY B. HENDERSON, JR.

SUITE 400 HYNDY BLDG.

CHEYENNE, WYO.

Representing many major insurance companies all over Wyoming. Equipped for adjustments and investigations.

## Virginia Agents Bar Participating Stock Carriers

(CONTINUED FROM PAGE 5)

an enlightened public opinion" must be constructed by the agents. Agents should know their policies, should look after their assured's affairs and maintain a polite, competent organization. Agency service is meaningless unless fortified with performance, Mr. Liscomb said.

Mr. Liscomb said the Business Development office admittedly has made a fine contribution to the stock fire insurance business, but it cannot go forward very long under its own steam. It requires sustained interest and effort of all stock fire insurance people, he said. It should not be permitted to become lethargic due to indifference of men in the business. Its success must be progressive.

Mr. Liscomb said he feels a great deal can be done by public relations work.

### Business Inarticulate

"For long years, we have called in vain on our companies to open up the trackless forest of misunderstanding and indifference that seemed to stretch between us and the public," he said. "Respecting our business as we do, we have long felt that with a glorious story to tell, it has remained inarticulate. The consequence has been that the public in general has come to look on the insurance companies as gigantic financial institutions, solely concerned in garnering policyholders' dollars and absorbed in investments to the exclusion of underwriting. We have felt that we were left defenseless before our enemies who have not hesitated to state that we are parasites on the public, seeking our own gains and offering no compensating advantages to the public.

"In the matter of public relations, I feel that we can by no means claim success, but the beginning has been made. The trail blazing, we may call the newly awakened sentiment in company ranks concerning public relations work.

### Start Public Relations

"All of the major underwriting organizations have now engaged experienced public relations counsellors. In the fire insurance business the program is already advancing. It is not so in the casualty business, but the root of the idea is there, as the casualty organizations also have engaged public relations counsel.

"It is for the companies and their organizations to supply the tools and materials. But we may as well understand once and for all that we are the workers, and the final responsibility rests with us."

Oscar Beling, superintendent of the Royal's agency systems department, urged use of line records as a means of servicing assured and impressing him with the agent's knowledge of needs and how to fill them. Agency conditions govern this activity, he said, but intelligent direction of effort by the sales manager, plus weekly staff meetings, are essential.

J. C. Nicholson, chairman accident prevention committee North Carolina association, said the earnest work of insurance men in reducing accident deaths is showing effects in the steadily declining death rate in his state. T. A. Fleming, director of conservation, National Board, warned the agents to stop checking credit and instead to analyze it. Insurance and credit are twins, he said. Commerce depends 95 percent on credit and 5 percent on cash, and credit cannot exist without adequate insurance coverage.

L. E. Falls, vice-president American of Newark, urged greater cooperation between companies and agents based on mutual confidence. The future of the business, he said, is in the hands of the agents.

"The crying shame is that we air our internal differences in public. If there

were fundamental weaknesses in the structure of insurance, the public would be entitled to know about them. If agents and companies had ceased to function together, the insuring public should be warned to seek some different insurance market for the protection and local servicing which it needs. But neither of these calamities has befallen. Our quarrels, public and private, concern differences of opinion—frequently minor methods as to how we shall best serve the business for which we are responsible."

### Relations Much Better

"The relations between agents and companies have improved greatly in the immediate past. Our willingness to speak plainly to each other about conditions which harass us, or trends which cause us to be concerned for the future, is a wholesome thing and productive of added understanding. No really successful company man or agent is an untrustworthy scoundrel, and we gain in respect for him as we learn more about him and his problems. Understanding completely destroys suspicion.

"Since we are warranted in having confidence in each other, our conferences will be more valuable, and our cooperation productive of more results, if we measure each contemplated action by this same confidence."

The regular sessions were preceded by a past presidents' dinner. Roger Clarke, Fredericksburg, presided.

Registration was 235, of whom 91 were members.

## Gantert Speaks of Stock Company Service to Public

(CONTINUED FROM PAGE 7)

reass the public is assured of safeguards as to building construction and fire protection. If this work were done by the government, he said, political practices would enter, to the detriment of property owners. The companies have devised rigid standards for fire defense.

Mr. Gantert called attention to the average decrease in cost of insurance notwithstanding the net fire losses incurred to net premiums written for 76 years show a loss ratio of 53 percent. Notwithstanding the increased expense ratio, a part of which goes for the additional cost of rate making, inspection, etc., the average rate has declined for 39 years.

Speaking of Maryland, he said that the commissions earned on lines written by stock companies amounted to \$5,147,557, of which \$2,532,811 was on fire and allied lines and \$2,614,766 on casualty and surety. The nation-wide figures are \$344,075,857, of which \$207,147,640 was on fire and allied lines, and \$136,948,217 on casualty and surety.

### Problems are Summarized

Mr. Gantert summarized the problems which capital stock fire insurance and its local agents have in common with merchants and other business men.

A. Capital stock fire insurance is a quality product whose superior quality (security) can be easily and effectively demonstrated by the application of a simple and recognized formula. As such, it is called upon to meet the competition of inferior merchandise offered on a prize basis. Every quality product is confronted by the same problem.

B. Capital stock insurance is invariably sold and serviced on a retail basis through resident agents whose services are for the most part abundantly worth their cost. More than 90 percent of all other commodities are distributed on a retail basis.

Retailers of all necessities, including insurance, are compelled to meet the competition of direct sellers who operate by mail, through wagon men, house to house canvassers, or other transient salesmen who have no stake in the local community. The retail cost of distributing \$31,000,000,000 in merchandise in

1933 through 1,653,961 retail stores was 22 percent of the value of the merchandise sold. Thus, the gross share of the fire insurance dollar retained by retailers of insurance is almost exactly that retained by other local merchants in their respective fields. Just as there are agents and agents, so are there merchants and merchants, doctors and doctors, and lawyers and lawyers.

### Stands for American System

C. Our companies and our representatives are not only exponents of the American profit and loss system, but our industry on its record stands as a good example of this American system under which the average man has his best chance. Just as we are called upon to meet the competition of cooperative insurance companies, which operate on an at-cost or non-profit basis, so are other merchants and business men concerned about the increasing number of cooperative wholesale and retail mercantile establishments.

D. All local merchants and business men, including retailers of insurance, strive for a prosperous community and are exponents of the principle of trading at home where possible. The idea of reciprocity is, of course, as old as commerce itself.

### Purposes and Aims of Insurance

Summing up the purposes and aims of insurance, Mr. Gantert enumerated the following basic rules:

1. It lifts the burden of risk from the individual and apportions it lightly over millions.
2. It provides a recognized basis for our credit structure.
3. It safeguards the home, with all that this means to the stability of society.
4. It guarantees business permanence in the face of disaster that formerly meant ruin.
5. It provides finances for quick resumption of business interrupted by fire.
6. It stimulates enterprise, by permitting business men to keep their funds productively employed instead of in reserve against disaster.
7. It protects community welfare through the prompt restoration of solvency after an otherwise crippling conflagration.
8. It is an important adjunct to our healthful international circulation of funds.

## Property Condemned; Valued Policy Not Applicable

The United States circuit court of appeals has reversed a judgment against seven fire insurance companies and refused to apply the valued policy law of Nebraska where the insured property was condemned almost three years after the fire. In Nebraska, as in several other states having valued policy laws, it has been held that condemnation of the damaged property or refusal on the part of the local authorities to permit rebuilding constitutes a total loss, in spite of the policy condition to the contrary. This is the first case in which this rule has been qualified.

In this case, a warehouse in Omaha burned Feb. 3, 1932. There was a long argument as to whether the assured had observed the requirement of the sprinkler maintenance clause and while this was pending, an order of condemnation was adopted by the city council on Oct. 30, 1934. The order declared that the building was in a decayed and dilapidated condition and constituted a public nuisance. The suits were removed to the federal court and consolidated into one action and the United States district court for the district of Nebraska entered a judgment against the companies aggregating over \$100,000. The circuit court of appeals, in reversing the judgment, pointed out that the condemnation must occur within a reasonable time after the fire and that in this case it appeared from the evidence that the reason for the condemnation was the lack of

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 27, 1938

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.00	88	91
Aetna Fire ....	10	1.60	45 1/2	47 1/2
Aetna Life ....	10	1.10	25	26 1/2
Agricultural ....	25	3.25	71	75
Amer. Alliance ..	10	1.20	20	22
Amer. Druggists ..	25	3.00	50	54
Amer. Equitable ..	5	1.80	20	22
Amer. Home ....	10		7	9
American (N. J.) ..	2.50	.60	12	13
Amer. Surety ....	25	2.50	40	42
Automobile ....	10	1.30	29	31
Balt. Amer. ....	2.50	.30	5 1/2	6 1/2
Bankers & Ship. ..	25	5.00	77	80
Boston ....	1.00	21.00	540	560
Camden Fire ....	5	1.00	18	20
Carolina ....	10	1.30	21	23
City of N. Y. ....	10	1.20	16 1/2	18
Contl. Cas. ....	5	1.20	27 1/2	28 1/2
Contl. N. Y. ....	2.50	1.80	33	34
Crum & Forster ..				
Com. ....	10	1.00	21	23
Employers Reins. ..	10	1.60	41	43
Fidelity & Dep. ..	20	2.00	99	101
Fidelity-Phen. ....	2.50	1.80	33	35
Fire Assn. ....	10	2.50	53	55
Firemen's (N. J.) ..	5	.30	8	9
Franklin ....	5	1.40	24	26
Gen. Reinsur. ....	5	2.00	34	36
Gibraltar F.&M. ....	10	1.40	17	19
Glens Falls ....	5	1.60	38	40
Globe & Repub. ....	5	.85	11	13
Gt. Am. Fire ....	5	1.20	24	26
Gt. Am. Ind. ....	1	.20	8	9
Halifax ....	10	1.00	21 1/2	23
Hanover Fire ....	10	1.60	28 1/2	30 1/2
Hartford Fire ....	10	2.00	75	77
Htfd. Steam Boil. ..	10	1.60	51	54
Home Fire Sec. ....	10		2	2 1/2
Home Ins. (N.Y.) ..	5	1.60	27	28
Homestead ....	10	1.00	13	15
Ins. Co. of N. A. ....	10	2.50	66	69
Lincoln (N. Y.) ..	5		2	2 1/2
Md. Cas. com. ....	1		3 1/2	4
Mass. Bonding ....	12.50	3.50	43	45
Merch. com. (N.Y.) ..	5	1.70	40	44
Natl. Cas. ....	10	1.00	19	21
Natl. Fire ....	10	2.00	61	63
Natl. Liberty ....	2	.40	7 1/2	8 1/4
Natl. Union ....	20	5.00	105	110
New Am. Cas. ....	2	.60	10 1/2	11 1/2
New Brunswick F. ....	10	1.70	27	29
New Hampshire ..	10	1.80	42	44
Northern (N. Y.) ..	12.50	5.00	79	82
North River ....	2.50	1.20	25	27
N. W. Natl. Fire. ..	25	5.00	114	119
Paul Revere Fire ..	10	1.30	21	23
Phoenix, Conn. ....	10	2.50	78	80
Preferred Accel. ....	5	1.00	14 1/2	16
Prov. Wash. ....	10	1.70	27	29
Republic (Tex.) ..	10	1.20	22 1/2	24
Rossia ....	5		4	5
St. Paul F. & M. ....	25	8.00	185	195
Security ....	10	1.40	29 1/2	31
Sprgld. F. & M. ....	25	4.75	115	120
Travelers ....	100	16.00	440	450
U. S. Fire ....	4	2.50	49	51
U. S. F. & G. ....	2	.60	13	15
Westchester Fire ..	2.50	1.60	29	31

\*Includes extra. \*\*Canadian funds.

repairs for a long period, rather than any unsafe condition at or after the fire.

### Sprinkler Warranty Involved

Another point involved in this case was the charge of the companies that the assured had violated the sprinkler maintenance clause. The lower court had instructed the jury to find for the assured on this point. The circuit court of appeals considered the evidence and stated that this matter should have gone to the jury. The sprinkler system was turned off because of a leaking valve the day the loss occurred and it appeared from the evidence that part of the system had been out of commission for 13 days before the fire.

Companies involved were Great American, L. & L. & G., Milwaukee Mechanics, Westchester, Aetna Fire and Springfield. Herbert W. Hirsh of the Chicago law firm of Clausen, Hirsh & Miller represented the companies.

### CasFire Service Features

KANSAS CITY, MO.—The CasFire Service of Kansas City which is affiliated with R. B. Jones & Son is attracting the attention of insurance people. It is really a reinsurance brokerage office and an intermediary brokerage house. It is a service organization to place surplus lines or handle risks out of the ordinary in the way of reinsurance. It has no direct writing connections. It will not compete with companies or agencies in the field. It will not disturb any existing situations. The CasFire Service is offering the same facilities in the middle west as a number of reinsurance intermediaries of New York and Towers, Perrin, Forster & Crosby of Philadelphia.



## FIELD

(CONTINUED FROM PAGE 14)

handicap gave him net 69. F. K. Baker, Providence Washington, won the low gross with a score of 75, and J. C. Donaldson, Hartford Fire, won the low handicap. Quoit prizes were won by J. L. Laufenberg of Kingston, Fire Companies Adjustment Bureau, and Arthur Cox of Corroon & Reynolds.

### Wallace Jones Is Appointed

W. H. Jones has replaced T. H. Byrd as state agent for the Automobile and Standard Fire of Hartford in Kansas.

### Vanderpool Succeeds Growney

Clarence Allan, Pacific Coast manager Northern Assurance, on a visit to Portland, Ore., appointed C. H. Vanderpool, special agent to succeed P. L. Growney, resigned. He has been with the Oregon Insurance Rating Bureau.

### Pacific Northwest Meet July 8

SEATTLE—The semi-annual meeting of the Special Agents Association of the Pacific Northwest has been set for July 8 at the Inglewood Golf & Country Club.

There will be a short business session. G. E. Moore, Fireman's Fund, vice-president of the western Washington division, will talk on "Washington Conditions" and D. E. Beard, London Assurance, vice-president Oregon division, on "Oregon Conditions."

### Plan Membership Drive

DENVER—At the final meeting of the Direct Representing Fieldmen's Association, it was decided to hold the first meet of the new season Aug. 30. A membership drive will be started on that date.

### N. J. Field Club in Outing

NEWARK—In spite of stormy weather, the annual outing and business meeting of the New Jersey Field Club at Manasquan River Golf Club, Brielle, N. J., was well attended. Indoor sports predominated. J. J. McKay, Newark office Home of New York, was elected a member.

### Fisher Succeeds Hershe

D. L. Fisher of Des Moines has been named state agent for Iowa and Nebraska of the Fidelity & Guaranty Fire to succeed C. J. Hershe, who becomes special representative of the inland marine department in Chicago. Mr. Fisher has been with the Hartford Fire for 12 years.

### Colorado Blue Goose Elects

DENVER, COLO.—The Colorado Blue Goose elected A. Jackson Dunn, Standart & Main, most loyal gander; Clarence Cobb, Cobb & Stebbins, supervisor; O. M. Moore, Firemen's, custodian; Chester Long, Glen Falls, guardian; Marshall Parker, Fireman's Fund, keeper; Herbert Helmkamp, America Fore, welder. Delegates chosen to the grand nest convention in Los Angeles were Mr. Dunn and Howard Reynolds. Past most loyal gander pins were presented to George B. Side and Richard White and 25 year gander pins were presented to Guy Shirley and Nick Gardner. Robert Fergus, inspector of the Mountain States Inspection Bureau was initiated.

Mrs. Frederic Adler, well known member of the Wisconsin Women of the Blue Goose and wife of the Wisconsin state agent for the New York Underwriters, is convalescing from a fractured ankle sustained while preparing for a motor trip.

A. L. Steinhaus, inspector in the Madison branch of the Wisconsin Fire Insurance Rating Bureau, was married to Miss Royetta M. Smith of Madison.

## Insurers Have Important Role in Ocean Plane Tests

NEW YORK—The new Boeing Atlantic super-clipper and the Douglas four-engined DC4, both of which recently made their first test flights, are striking but far from unusual examples of the quiet but important role that aviation underwriters play in the designing, building, and test-flying of new airplanes.

The fact that the Boeing is insured for \$750,000 gives some idea of the faith which the underwriters must have in their judgment and the necessity for basing that judgment on the most accurate information possible. Aero Insurance Underwriters, with whom the Boeing factory placed the risk, retains as a consultant E. T. Allen, the pilot who is making the test flights for the Boeing company. United States Aviation Underwriters, which is also underwriting a large share of the Boeing ship, employs R. B. Quick, who will also pilot the Boeing during test flights, as technical manager. Both these men are regarded as experts of the highest rank and great reliance is placed on their opinions not only by the underwriters but by the manufacturer, the purchaser, and the U. S. government.

### Prevention Increasingly Important

As aviation insurance has developed, it has been found wise to pay more and more attention to the prevention aspect. It has not yet reached the point where prevention expenditures overshadow actual loss payments, as in steam boiler and machinery insurance but the value of having adequate inspection facilities not only in the designing, building, and testing of planes but in their maintenance as well, has proved itself conclusively.

The expert who is conducting or observing the tests for the underwriters first reports on how carefully the new model has been designed in accordance with latest known improvements. He also reports on the workmanship, although in the case of prominent manufacturers like Boeing and Douglas this is assumed to be above criticism, because of the reputation of the firms and because they do U. S. government work. Then the expert must be sure that the experience and qualifications of the engineering staff are adequate to cope with the new design and that they are actually designing and testing the ship in a thorough manner.

### Advise on Precautions

The underwriters' representatives must advise the insurers which precautions should be observed in the test flights and what procedure should be followed. It is extremely important that tests should be made progressively. If this is done it is practically always possible to detect any flaws and correct them before the danger point is reached.

While the underwriters' representatives supply the insurers not only with exact technical information but with his considered opinion on the probable behavior of the ship and possible hazards to be expected, the final responsibility for accepting or rejecting the risk is with the underwriter. In the case of so large a ship as the Boeing it was necessary to utilize not only the three aviation insurance markets in this country—Aero, U. S. Aviation, and Associated Aviation Underwriters—but London Lloyds and other British underwriters as well.

The importance which the underwriters attach to having as their representatives the top men in their field may be gathered from a survey of the records of Mr. Allen and Mr. Quick. The former is a doctor of science and formerly taught aviation at Massachusetts Institute of Technology. He is regarded as an authority on airlines and two years

ago went to Germany as the guest of the German government to deliver a paper on airline operations. He has had an important part in the development of aircraft radio and has acted as test pilot for large manufacturers of aircraft and for the army. He is consulting engineer to Pan-American-Grace Airways.

Mr. Quick for nine years did all the test work for the inspections of the bureau of air commerce. He ran the tests on the Martin clippers and Sikorsky and made the first two trans-Pacific test flights. He has had 540 flight test assignments and has flown more than 300 different types of planes. He has the responsibility for laying down the safety rules for trans-Pacific flying. He is co-holder of the world altitude record for large flying boats and is co-designer of propeller brakes now used on practically all planes to cut out wind resistance when a propeller is not working.

### Hospital Hazard Shown by Underwriters Laboratories

The Underwriters Laboratories calls attention to a hospital hazard brought out by a report of a hospital fire caused by the heating of a metal zipper in a blanket by electro-magnetic induction from a high frequency therapeutic device being used to induce fever temperatures in the body of a patient. Many physicians and hospitals are now using high frequency therapeutic devices. The Underwriters Laboratories states that any apparatus which will produce high temperatures in the human body will also produce heating in other conductive materials. The Laboratories declares that the temperature to which conductive materials are heated may be sufficiently high as to cause ignition of combustibles, and contact with these conductors may result in the production of arcs, another fire hazard.

### Must Avoid Grounds

The Laboratories states that in order to reduce these hazards instructions supplied by manufacturers of approved therapeutic equipment should be followed. They call attention to the necessity of removing conductive materials from the proximity of the patient. When such equipment is used, the Laboratories says that those employing them should guard against treating a patient resting on a grounded object and should be careful not to have metal nearby in the form of beds, couches, tables, or metal in mattresses.

### Horner Has Wide Experience

William J. Horner, newly appointed marine manager of the Philadelphia branch of the Aetna Fire group, was previously associated with the marine division of the Automobile since 1925. A native of Liverpool his insurance career began with the Union Marine, of that city. After three years service he was transferred to the United States branch of the Phoenix Assurance continuing for two years during which time he traveled both in Canada and in Cuba, absorbing wide knowledge of marine insurance operations.

### Order Briefs to Be Filed

MADISON, WIS.—At a hearing in Dane County circuit court here, Judge Reis heard brief testimony, ordered stipulations entered and briefs filed by both sides in suit of the Northwestern National of Milwaukee against the Wisconsin insurance department and Fire Insurance Rating Bureau. Suit was brought by the Milwaukee company to prohibit the department and bureau from

compelling it to submit its inland marine business for audit and rating. The litigation arose out of a line on the Layton art gallery in Milwaukee which was written as inland marine, but because part of the coverage is protection against fire the bureau and department insisted it should be audited as fire business.

### Arbitration Facilities Urged Valuable to Companies

NEW YORK—Possibilities of speeding up settlement of automobile liability cases, which are a major factor in overcrowding courts, are seen in greater use of the American Arbitration Association's facilities, which Presiding Justice Bissell of the New York City municipal court and representatives of local bar associations have endorsed.

Noting what has already been accomplished by arbitration in this field, Justice Bissell said it seemed even greater results might be obtained through coordination of various committees of lawyers and the American Arbitration Association. With this end in view he called a conference recently which resulted in making available to lawyers and clients having matters pending before the municipal court the services of the association and of five local lawyers' associations. Justice Bissell said the association has available a panel of arbitrators which includes several hundred leading members of the bar.

### Arbitration Benefits

From a casualty company point of view, greater use of arbitration would mean quicker unlocking of claim reserves through prompt settlements, and less dependence on unpredictability of juries. From the claimant's angle arbitration means faster settlements and in most cases a more equitable settlement, though the latter might be the last thing desired by the plaintiff.

However, there is always the chance a jury's capriciousness might work against a just claim and many claimants might better be content with a fair verdict than risk getting nothing at all. Those having such flimsy cases that their only hope lies in appealing to a soft-hearted jury would continue to hold out for jury trial.

### Youngberg-Carlson Outing

The Youngberg-Carlson & Co. agency of Chicago held its annual all-day outing at Olympia Fields golf club, brokers and company men being guests.

### Boston Board Manager Quits

BOSTON—Isaac Osgood, manager of the Boston Board of Fire Underwriters for the last four years and previously assistant manager and secretary for many years, has tendered his resignation effective at the end of this week, when he will start on his annual vacation.

Mrs. P. J. Koch, wife of the head underwriter of the Excelsior, will be confined for two or three weeks to St. Joseph's Hospital in Syracuse, N. Y., following an injury suffered when she had a fall in her home the other day.

### Miscellaneous Notes

John L. A. Galster, veteran Petoskey, Mich., agent, was honored by the Continental for 25 years representation. An electric clock was presented by C. J. Lingenfelder, assistant secretary.

E. J. Sullivan, Marengo, Ill., has been presented a gold sign by the American of Newark, in recognition of 25 years representation.

Miss Laura H. Bauerle, who has handled the insurance office of her brother L. W. Bauerle, member of the Wichita Insurers, for some years, was married to Merrill Van Arsdale of Wichita.

R. L. Newbauer, brother of Commissioner Newbauer of Indiana, has opened a local agency at Hartford City, representing the Hartford Fire, Fidelity-Phoenix and Hartford Accident.

George Feehan has joined Creed & Joy, Detroit, specializing in marine and transportation forms, with which the agency has been identified for 20 years.

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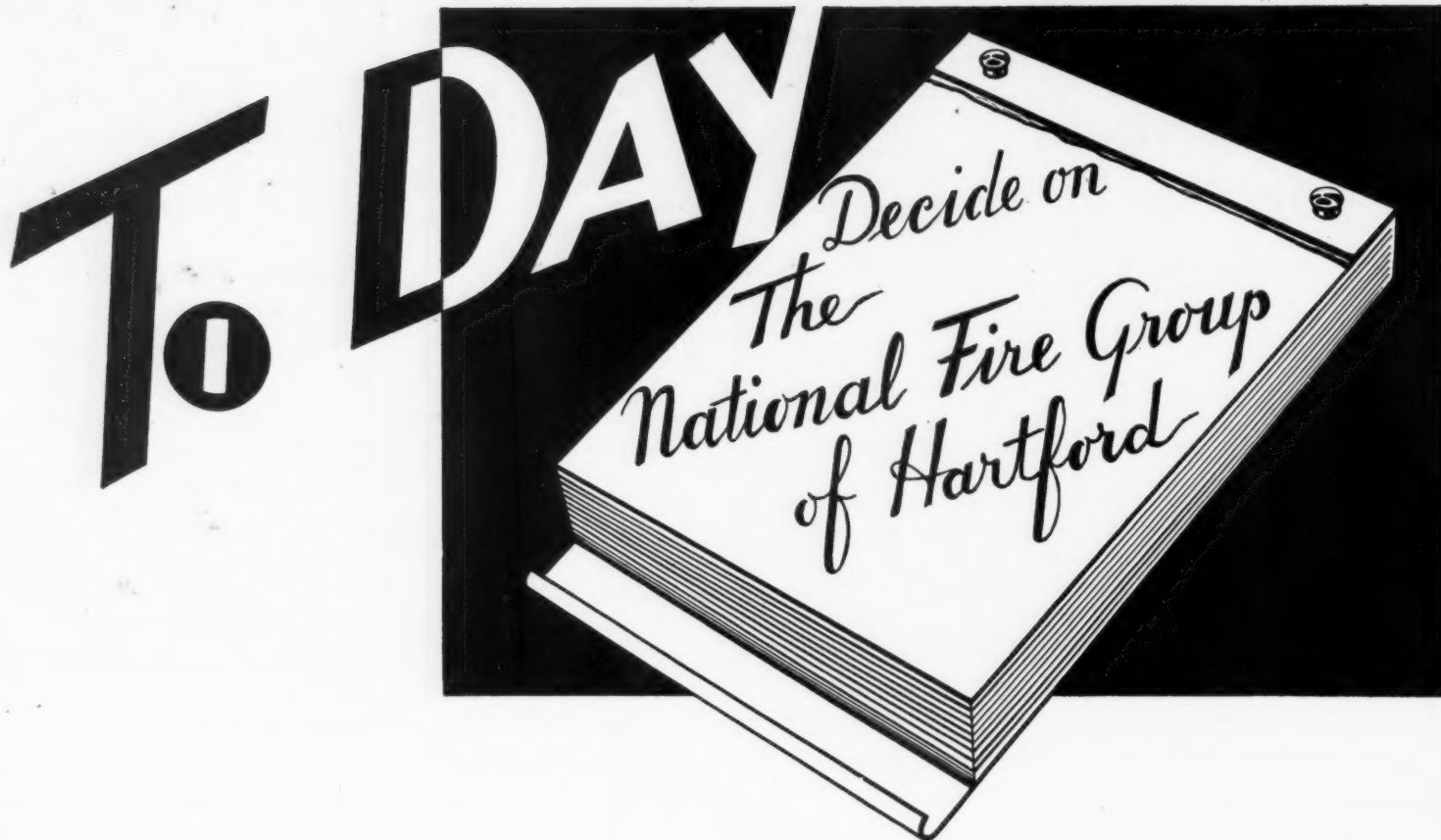
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